Understanding Mattessich and Ijiri: A Study of Accounting Thought by Nohora García

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Chapter 1 states that the aim of the book is to justify writing the two books by authors Mattessich and Ijiri and to identify what drove each one of them to write their respective books. Chapter 1 also stresses that the development of accounting thought is different from the stream of accounting research concerned with accounting history, as well as the line of research on accounting theory. It thus defines the purpose of studies on the development of accounting thought as mapping out, understanding, and expounding illuminating accounting idea or theories and their divergence (García, 2018, p. 5). The chapter concludes with a synopsis of the research findings. Chapter 2 mainly outlines the approach used by the author to analyze the two books.

Chapter 3 surveys prior studies that may represent 'standpoints in accounting thought' (García, 2018, p. 25). It raises three question regarding the works of Ijiri (1975) and Mattessich (1964) in the light of three viewpoints previously stated in the accounting literature. The first viewpoint is by Previts and Merino (1998) with regard to the effects of the shift in academic accounting research in the US on neglecting some academic works. Despite their significance for practiced accounting, the two works (Ijiri, 1975; Mattessich, 1964) were not perceived well by accounting academics. Several possible reasons have been proposed. Professor Stephan Zeff justifies that accounting academics may not be able to understand them, particularly mainstream accounting researchers in North America (Gaffikin, 1996) possibly due to the narrowness in their doctoral education and the limitations of their training (Al-Adeem, 2017a). The shift in academic accounting research that started in the late 1960s is yet another reason for the negligence of conventional accounting topics (Al-Adeem & Fogarty, 2010;

Hopwood, 2007). While Previts and Merino (1998) argue that the shift toward rigorous enquiry in accounting academe might be a contributing factor to the neglect of such works due to the lack of relevance of accounting data, García (2018) investigates whether such a conjecture holds true in the case of the works of Ijiri (1975) and Mattessich (1964). The second viewpoint is by also Previts and Merino (1998) and refers to the natural acceptance of the entity theory and historical cost that underline the studies of Paton and Littleton (1940). Accordingly, García inquires whether Ijiri (1975) and Mattessich (1964) follow the name natural order. The third viewpoint is by Zeff (1982) in his review to *Truth of Accounting* by MacNeal (1939). Professor Nohora García asks whether Ijiri (1975) and Mattessich (1964) contribute to the discussion of recognizing unrealized profits that academics ignore discussing even when this argument was present in the writings of pre-classical period.

Chapter 3 is mainly about the potential contributions of García's (2018) book. The objective of the chapter is clearly stated in the conclusion of the chapter.

Chapters 4 and 5 are dedicated to Professor Richard Mattessich and his general theory of accounting theory. In chapter 4, the intellectual environment of the 1950s is studied. The environment within which a person is nurtured affects the way he/she latter perceives his/her surroundings and thinks. How the world should be operating and functioning may have been shaped during this period. Such an a priori may limit constructed perceived reality in one's mind. Understanding how a person has developed concepts and ideas services as a justification for explaining why an individual perceives things as such and facilitates the context within which such a perceived reality exists from the perspective of this person. Chapter 4 also carefully examines the political and intellectual issues during the 1950s and their possible effect on the intellectual attitude Mattessich has developed as to better understand him and his work of 1964. Political issues matter to the development of accounting thought. For example, the era of Ronald Reagan, known as 'deregulation,' has arguably an effect on the acceptance of positive accounting theory (Al-Adeem & Fogarty, 2010; Mouch, 1992), as advocated by Watts and Zimmerman (1978, 1979, 1986, 1990). Chapter 4 further illustrates that Professor Mattessich is the first to introduce scales of measurement in accounting theory (García, 2018, p. 4). As early as 1959, he describes his call for utilizing mathematics and economics in constructing a universal accounting science to mathematize and economize accounting.

Chapter 5 surveys at length the intellectual background that has contributed to the knowledge on measurement that Mattessich developed and utilized for developing accounting theory. According to García (2018), the background goes back to Campbell and Helmholtz, with the former's effect being more material due to the work of C. West Churchman. Mattessich's contribution was not limited to acquiring and learning from the works of others. He (1962) recognizes a limitation in the development in other disciplines, for example, the four measuring scales proposed by Stevens in accounting. Chapter 5 then discusses income as defined in Mattessich and explores its definition in the accounting literature. Income of the national accounts is discussed as well. '[A] true concept of income' is analyzed in reference to the income concept at the microeconomic level, where the issue is the determination of the contribution of assets (reproduced capital) to the generation of income. Mattessich treats the contribution of capital as relevant and assumes that the expected user cost of capital entails physical depreciation, expected reevaluations, and reward for waiting. Three concepts of income by Diewert (1995) are discussed. The first concept is gross income. The other two are income are based on the capital maintenance concept in its two forms, yielding two more concepts of income: income based on maintaining physical capital and based on maintaining physical and financial capital. The conclusion reached in the accounting literature holds true as García (2018, p. 123) affirms that, '…there is no ideal or exact way to measure income because income measurement is subject to an established objective.' Such a conclusion is already documented in the accounting literature by Kelley (1951) (see also, for example, Kimball, 1935). This is partially due to the fact that income is not a scientific concept (Solomons, 1961). Rather, accounting income is an abstract figure and its calculation depends on the basis upon which it is calculated (Kelley, 1951; Previts as cited in Al-Adeem, 2017b). Diverse Generally Accepted Accounting Principles (GAAP) yield different accounting figures, which is dealt with as a part of reality.

Analyzing Mattessich's (1995) other works, in which he extends his views expressed in his 1964 monograph and calls for the unification of accounting theory, García (2018, pp. 123–124) deems his attempts of 'interconnecting the objective of financial accounting and the financial accounting process' a methodological contribution. However, he was not able to propose a definition of income (García, 2018, p. 133). Assets and capital are also surveyed in detail in Chapter 5, based on the views of some accounting theorists, along with economists. Mattessich may however have omitted early accounting literature, García argues (2018, p. 134). The views of neoclassical economists are discussed as well. Accounting views influenced by neoclassical economic views such as Tinker's (1980) are addressed. García (2018, p. 133) concludes that the era of the development of accounting thought in defining income dictated the research agenda, which was colonized by economics.

Overall, chapter 5 is an extensive review and rich analysis of measurement theory, income definition, capital (wealth) definition. Such a review comprises comments on viewpoints from an economic perspective and views and studies from accounting, economics, and other fields. In addition to learning about Mattessich, the reader is able to understand his views and contributions to accounting theory and thought and to appreciate how such a scholar may have been established and what may have affected him intellectually in his scholarly development. Learning all this while going through an intellectual voyage will also open an opportunity for the reader to absorb some of the fundamentals of rooted accounting discourses. The same holds true for the subsequent chapters that are dedicated to Professor Yuji Ijiri.

Chapters 6 and 7 are devoted to Ijiri and his book on the theory of measurement. Commenting on Ijiri's (1965, p. 49) perspective about 'the physical measurement of quantities,' García (2018, p. 151) states, 'the implicit assumption is that the original prices of economic objective will remain constant over time.' This motivates García, (2018, p. 149) to conclude that Ijiri's conventional accounting as a set of varied principles and practices may not reflect reality entirely, despite the claim of the possibility of formulating empirical propositions about real work. Ijiri's defense that axioms and rules enable obtaining data without relying on professional judgment is not supported by West's (2003) thesis. West (2003) asserts that professional judgment is what makes professionals and qualifies them to their claimed status in their societies. García (2018) then sheds light on multidimensionality in measurement, as suggested by Ijiri (1966), where the valuation of net income is divided into three taxonomies: gains from activity, from the change in the weight factor, and from a combination of these two.

Commenting on the *Foundation of Accounting Measurement* by Ijiri (1967), Professor Nohora García follows her style, in that she incorporates other works by Ijiri to extend his views and provide more clarity and a context within which his views can be better understood. She contrasts his views to Chambers' (1972). In addition to a lengthy comparison, Table (9) (García, 2018, pp. 161–163) provides comparisons of 19 dilemmas divided by subjects that are addressed by the two scholars (Chambers, 1972; Ijiri, 1972;). Such a comparison is an evaluation of Ijiri's perspective in the light of the critique on his work by yet another renowned scholar.

In three subsections, Professor Nohora García discusses accountability, stewardship, and usefulness for decision making to bring to attention the significance of objectivity in accounting measurement. Apparently, Ijiri's aim for accountability justifies basing his efforts in describing accounting theory on axioms and rules. Chapter 7 is devoted to Ijiri's methodology (1975).

Chapter 8 draws conclusions, as well as directions for further research. The conclusions are inclusive and informative. After all, Mattessich may not be an advocate of neoclassical economics (García, 2018, p. 217). Among other conclusions is the proposition that the new generations of accounting academics in the US do not study Mattessich due to ironically considering positive accounting research as the only stream for scientific research in accounting (García, 2018, p. 217). The difficulty in reaching consensus toward a theory for external corporate reporting is acknowledged in the concluding chapter as well (García, 2018, p. 218).

In closing, the book is a great reading and will assist in educating accounting students, especially in accounting theory courses at graduate. The book will also enlighten accounting researchers and policy makers, as well as standards setting bodies, on topics that are relevant to date, such as value and quantifying it from an accounting perspective, for purposes that serve external parties to the accounting entity.

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