

A Historical Perspective of Accounting for Modern Moral and Ethical Issues

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Purpose:

Popular accounting and ethics texts focus on modern ethical scholars (i.e. Blanchard And Peale, Laura Nash, Warren Buffet (News Paper Model) and classical scholars such as Immanuel Kant). Although these models are helpful to provide students and professionals a framework for making ethical decisions, they fail to account for the ethical lapses in business practices which will and do occur in business and our personal lives. Furthermore, they ignore the ethical goodwill generated when a business or individual makes good ethical decisions.

A possible solution would be to use the double entry accounting method that observes, records, and reports, financial transactions (revenues, expenses, assets and liabilities, and capital) and with only minimal modification doing the same for ethical rights, wrongs, entitlements, obligations, and moral goodwill.

The use of the accounting method as a moral scorecard is not new as it was used regularly from the Italian Renaissance to the Victorian era. One famous example includes Benjamin Franklin (1706-1790) who kept a moral account book, tallying his sins and good acts the same way a merchant of the era would tally their income and expenditures.¹

The study, refinement, and reintroduction of these historical moral account ledgers to a relevant modern ethical model would provide a timeless basis for confronting the ethical dilemmas that modern business and individuals face.

Perspective: The application of 16, 17 and 18th Century methods used for moral accounting on modern day ethical issues

Modes of Inquiry: Historical texts and theoretical works in both accounting and ethics.

Results and Justification: The purpose of my research will be the development of a teaching module that incorporates a historical perspective that ties student's knowledge of modern day accounting to a model that attempts to record and report ethical and non-ethical behavior with the main goal of maximizing ethical behavior.

Significance: The idea of a moral scorecard is not new. However, bringing this historical perspective of reconciling one's moral bearing into a modern day model for assessing the ethical position of an organization would be novel.

Keywords: Moral Score Card, Accounting Method, Historical Perspective

¹ Benjamin Franklin's Autobiography: *Chapter IX- Plan for Attaining Moral Perfection*