

NATURAL LAWS OF ACCOUNTING AS A SCIENCE

Yusuf SÜRMEŖ*

Abdülkadir PEHLİVAN*□

Abstract

Accounting is a science that has distinctive principles, laws, rules, methods and theories. Accounting laws are natural and sound. These are valid in every condition. There is no question of 'Ceteris Paribus' for these. On the strength of these subjects, it can be said that accounting is a science, rather natural science. Natural science related to event in the universe. Science based on laws. Accounting has a lot of laws as a natural science. These are compulsory tie up order which bring accounting a natural science. In this article, Law of Double-sided Relationship, Law of Openness Law of Responsibility and Law of Accuracy are explained. The base of these laws is holy scriptures that notify responsibility of mature people.

Keywords: Law, Science, Accounting

Özet

Muhasebe, kendine özgü ilkeleri, kanunları, kuralları, yöntemleri, teorileri ile bir bilimdir. Muhasebe kanunları, sağlam ve doğal kanunlardır. Bunlar her koşulda geçerlidir. Bunlar için "ceteris paribus" sözkonusu değildir. Bu konulara dayanarak muhasebenin bir bilim, dahası bir doğal bilim olduğu söylenebilir. Doğal bilimler evrendeki olgularla ilgilenir. Bilim kanunlara dayanır. Bir doğal bilim olan muhasebenin pek çok kanunları vardır. Bunlar muhasebeye bilim niteliği kazandıran zorunlu bağlantılar düzenidir. Bu makalede muhasebe kanunlarından Çiftyanlılık Kanunu, Doğruluk Kanunu, Açıklık Kanunu ile Sorumluluk Kanunu açıklanacaktır. Bu kanunların dayanağı ergin insanların sorumluluklarını bildiren kutsal kitaplardır.

Anahtar Kelimeler: Kanun, Bilim, Muhasebe

Introduction

□ Prof.Dr., Karadeniz Teknik Üniversitesi İİBF

* Arş.Gör., Karadeniz Teknik Üniversitesi İİBF

Science is a field of acquisition, understanding, and knowledge of selecting and limiting natural phenomena by studying them through observation, experiment, and evaluation as well as by verifying them with the help of clear evidences.

"In Turkish, knowledge is derived from the term indication or sign, so what has clear sign or indication is called knowledge. It has a degree of certainty depending on the fact that the evidence is clear or vague, strong or weak.

Knowledge is objective and it can be checked, questioned, and proved to be true or wrong by everybody. Anyone can be convinced to be right or wrong. Only through knowledge is it possible to discriminate between right and wrong. Knowledge is based on reason and wisdom, while science is based on rules, laws, principles, theories, methods, and systems by means of which it aims at acquiring the reality (Yazıcı, 1993, p.5).

Science is coherent, consistent and objective in itself. And also it is based on certainty coherence, consistency and general acceptance. Although science is basically a system of explanation and definition, not all things are explained by it. For example, while the question of "How does the moon affect the oceans on the earth?" can be scientifically explained, another question of "Why does the moon exist?" goes far beyond the scope of science. Such a question as "Why does it exist?" principally constitutes the subject-matter that the philosophic or theological field of study deals with, so it cannot be answered by means of experimental science (Akdoğan - Aydın, 1987, p.8).

With the passage of time, improvements in science have given birth to new branches of science. We can, for example, say that law is originated from theology, economy from law, business

administration and management from economy and finally accounting from economic management.

A law is a set of obligatory relationships existing in all phenomena that not only make up science but also help it be formed.

It is an inseparable part of science which is based upon a number of laws. Science of nature has its own certain set of laws. Considering some suppositions in metaphysics in the light of the laws of natural science, man has introduced some fixed rules which are also called laws. Man has always reached an inevitable synthesis between these laws and social issues. Consequently social sciences come out. The metaphysic laws help social knowledge take a scientific form.

The laws of social sciences function as laws when other conditions remain steady. So, western languages use the Latin term "ceterius paribus" quite often as far as the laws of social sciences are concerned.

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The laws of social sciences and laws adopted by the state function aren't more than a mere regulation. However these laws do not give rise to any concession when compared to natural laws and they are called law.

Such certain rules functioning as law must be in line with the laws of nature or at least must be in consistent with them.

Accounting as a branch of science has received so many various definitions due to the variety of ideas on the matter and different point of views.

Accounting is a field of science that checks the situation of a company with respect to its possessions, capital and debts, and that follows its accounting relationships with the outside world by keeping their records on a double-sided table called 'account' after such relationships are determined on documents, and that helps all business transactions be in accordance with all the existing rules, regulations and laws.

From this point of view, accounting enables a reliable calculation in line with the law and theories by following a certain method or a certain way in the light of a set of principles as well as in accordance with its own rules.

In the meantime, it also illustrates not only the condition of the company's property at a fixed time but also the increase and decrease in the amount of its property including the final results of all the operations in a certain period. In this sense, accounting makes a comparison between the starting position of the property which the company owns and the final situation the company will face after the evaluation of changes in all prices concerning the production and consumption of the company's property and reaches a final evaluation.

Some authors define accounting as a field of science that deals with the calculation of the operations carried out in an accounting theory and the registration of the operations in notebooks as well as the illustration of the results of mathematical operations.

Natural Laws of Accounting as a Science

Law of accounting is a compulsory and correlative system of a general and objective nature which has been formed by means of studies and research existing in accounting and which has been proved to be permanent and static.

Law of accounting has lot of various natural laws, which constitute compulsorily correlative system on which accounting is based on.

On all the natural laws in accounting, a few are as follows:

- a. Law of Responsibility
- b. Law of Double-sided Relationship
- c. Law of Accuracy
- d. Law of Openness

The above-mentioned laws are to be studied briefly.

Laws of Responsibility

The term account is as old a concept as man. In all holy books, man is held responsible for his deeds, that is, he will eventually be brought to account in the hereafter for what he has done throughout his worldly life, which is peculiar to merely man himself. Animals, those who are mad, plants and children do not have such a responsibility. In the Holly Qur'an, for example, Allah Almighty says, "On the Day of Resurrection, we shall set up just and accurate scales so that no one will be wronged in the least in anyway; even if it be an act equal in weight to a grain of mustard seed. We shall bring it forth to be weighed and We suffice for reckoning."(Al-Anbiya Surah, Verse 47). In the torah, God says "Adjust balance and scales belong to Lord" (Proverbs, 16:11). And in the Bible God says, "But if you had known what this means, " I desire compassion, and not a sacrifice," you. would not have condemned the innocent. For the son of man is the Lord of the Sabbath."(Matthew, Chapter 12:7-8).

As the verses in holy books obviously point out, there will certainly be a day of resurrection when man will be interrogated for all his good or bad deeds and when whatever he has done throughout his worldly life will undoubtedly be weighted justly (Gürbüz, 1995, p.37). The reason why man only

will eventually be gathered on the Doomsday and will have to face such a severe interrogation is that it is only he who has been bestowed the honor of being a human and therefore it is only he who is held responsible for his actions

Everything on earth has been appropriately assigned for the benefit of mankind. On earth there is not at all more beautiful, more skillful or talented creature's than man himself. Such peculiarities of his hold him responsible for his actions on earth and oblige him to account for his deeds.

The responsibility that he has to account for his actions lasts throughout his life. To meet the needs of mankind, every merchant in action keeps by himself or has someone keep the records of his enterprise with a view to being able to see the economic and financial situation of his enterprise including debt and credit relationships.

Keeping records of an enterprise is both natural and a sort of responsibility imposed by the governments upon merchants. Provided that a merchant does not keep his own records, he hires an accountant to carry out the job instead. The records kept by the accountant are, however, equivalent to those of the merchant. But in accordance with the natural law the merchant also has to be held responsible for the records merchant keeps.

At every stage of accounting, the law of responsibility functions. As a matter of fact, accounting of any kind is based upon responsibility.

In sum, accounting is liable for taking over the responsibility for accurate but not misleading information. The business enterprise is liable for its responsibility. It is a must for an accountant to feel the responsibility to help the loss and profit that have eroded as the consequence of business operations carried out by the

enterprise be shared equally and justly among the shareholders according to their shares in the company.

Law of Double-sided Relationship

The concept of accountancy in its nature has double - sided. In another words, the person having mental capacity who is also subject to accountancy has double - sided such as the right and the left.

The double - sided nature of the world and the life of human beings can be seen in accountancy as the right to credited - debit, revenue- expense, assets - equities etc.

The cases indicating the accountancy of behaviour of mentally capable persons are double-sided like being in the forms of affecting and affected ones. There is a permanent and unchangeable relationship between these forms. The name used to explain this relationship in accountancy is law of double- sided method

Law of double- sided relationship in accountancy is valid for both the life in the world and the life hereinafter or in the other world of the mentally capable person. The Law in question is also true for the relationships among mentally capable persons and the relationship between the person and the Allah

Considering the relationship between the mentally capable person and the Allah, the person's right to claim is regarded as the Allah's debit or vice versa. This type of relationship is limited to the person and the Allah. Human beings can beg to its creator and, then, the Allah can forgive all of its right to credit.

According to the some of the holly books, fasting is one of the orders of Allah. The mentally capable person who does not fast is under the debit in terms of his/her relationship with the Allah. At the same time the Allah has also the right to

claim from the individual. In the same vein, if a mentally capable person makes good deeds, they are written down as the right to claim of the person and the debit of the Allah.

As stated in all holy books, man will be held responsible for whatever he does throughout his life on earth, that is, in the here after man will be called to account for all his actions in the world, which is required by the concept 'responsibility'(Atay, 1993,p.142). All of man's actions throughout his life in the world, good or bad, must be recorded so his accounts can be settled fairly, justly, correctly, truly, and in a manner away from the slightest doubt. Therefore, there exist two angels, one on left, one on the right that keep a complete record of his actions, that is to say, the one on the right, keeps the record of his good actions and the other keeps the evil and bad ones. On the Doomsday, man's actions kept on both sides by the angels (the angels that exist on the right and left sides and records every deed of man, be it good or bad) will be weighed by Allah Almighty. As a consequence of a divine trial, man will either be rewarded or punished. Allah Almighty in The Holy Kur'an says, "The weighing on that Day is the true weighing. As for those whose scale is heavy, they are the successful. And as for those whose scale is light: Those are they who lose their souls because they disbelieved in our revelations" (Al-Araf Surah, Verses 8-9). In the Torah, "The happy end is only for those who have submitted to their Lord. But the disobedients will all be cursed and exterminated and all evil-souled will be perished (Mezmurlar, 37-38). And in the Bible, "God will inflict an everlasting penalty on the disobedients who make light of their sins and never repent of them"(Bible of Barnabas, Section: 102).

As obviously seen, double-sided relationship exists in the origin of an account. In view of the fact that an account is inevitable and lies in the core of life in the form of debt and credit, there has always been a double-sided relationship in the financial records kept between the two men. In the Holy Qur'an, Allah Almighty says, "O believers! When you contract a debt for a fixed term, put it in writing. Let a scribe write with equity the document for the parties (Al-Bakara Surah, Verse 282). In the Torah, "No matter who you do a trade with, you should not only keep a good record of what you have sold and bought, but you should also account for what you have given and received."(Mezmurlar, 37:21). Also in the Bible, God says, "First of all, you should pay you debt and you should give the best to whomever should ask you for his need (Bible of Barnabas, 180:9). As clearly seen, the law of double-sided relationship is emphasized.

Accountancy in the world is done between the individuals and companies or business enterprises. Each case or situation in accountancy is written down, in accordance with the system, as thobligation on the one hand and the right to claim o the other. There is a permanent, unchangeable and obligatory connection in relation to the right to credit and the debit which is called the law of double- sided relationship.

As per the law, the sum of creditors' rights on debtors is equal to the total of debtors' debt to the creditors.

Law of Accuracy

For a just settlement, an account should be truly examined or kept in order to be free from being accountable to anyone for the account. Whoever fails to keep a good account is held responsible for it. In the Holy Kur'an, in some verses concerning this aspect of settlement it is

said, "So give full measure and full weight, and wrong not mankind in their goods"(Al- Araf Surah, Verse 85). "Give full measure and full weight in justice."(Al-An'am Surah, Verse 152). In the Torah, "Your weight and balance must be complete and just in order that you may lead a long life in the country your Lord has bestowed on you"(Tesniye, 25:15). And in The Bible, "You are honest and don't discriminate between people because you don't treat them as per their physical appearances and teach them the path of God truly" (The Bible Marcos Section 12:13).

So measure and scale must be complete and accurate. For example, fixed assets are worn out, damaged, and fall in value due to improvements in technology, so the fixed assets that decrease in value for the above reasons and the like are depreciated. The allocation of a depreciation for the buildings, a part of fixed assets, including their lands is allowed by the law in Turkey. Such a procedure is in compliance with the law of the country.

However, in accordance with natural accounting laws a depreciation have to be computed for the buildings only that are worn out or damaged. For this reason, the value of the building land has to be taken off out of the total value and a depreciation has to be allocated for the building out of the residual value in hand, which is required by the law of accuracy in accounting.

Law of Openness

All debt and credit transactions, regardless of their sizes, should be recorded in writing in order not to follow the economic and financial situation, as well as debt and credit relationship of the enterprise but to facilitate settlement. In the Holy Kur'an, Allah Almighty says, "Do not fail to record (your debts) in writing, be they small or large, together

with the date of the payment. This is more just in the sigh of Allah; it ensures accuracy in the testifying and is the best way to remove all doubt "(Al-Bakara Surah, Verse 282). In the Torah, "Every creditor is to get back whatever has been lent to a neighbor; but he shouldn't trouble the debtor to return his debt because your Lord has guaranteed that you will be certainly discharged"(Tesniye 15, Section 152). In the Bible, "One has to return his debt; and if one should ask you for his need, give him the best "(The Bible of Barnabas, Section 180).

It is, therefore, quite clear that every debt and credit relationship must be accurately recorded in writing with no occasion for misunderstanding. The enterprises that record their credit and debt transactions in accounts must certainly record sub-account underneath the aggregate account provided that they use the aggregate account system. This is an obligation required by the law of the country's and natural law.

Conclusion

Every branch of science has its own laws that are formed as that branch of science progresses. The laws make a sense to the extend that they reflect the casual and objective relationship between the events in relation to that branch of science and define the obligatory relationship.

Accounting is an applied science, but it has its own laws that are still clearly unknown. One reason for the obscurity is that accounting has long been regarded as a documentary technique in business administration that has remained a means of management.

Accounting with its own principles, rules, laws, methods, and theories is not a technique but a science itself. For this reason, teaching accounting is just like a person walking in he dark providing that the principles, especially the laws

pertaining to accounting are not clearly defined and that accounting is not based on its own laws. Anyone who is walking in the dark can neither know his way around nor get any diagrammatic information on how to find the way.

If accounting laws have been studied in governmental regulations, this means

that the law of accounting as a branch of science has also been adopted by the government. Provided that the law of accounting as a science contradicts the law of the state, the law of the state turns out to be a set of regulations, which, however, can not change the law of science.

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