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THINGS FALL APART" ON THE INATTENTION TO HISTORICAL ACCOUNTING THOUGHT: IS HARMONIZATION OF ACCOUNTING ADVANCEMENT A WAY FORWARD?

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ABSTRACT: *This study seeks to further advance increasing knowledge of the history of harmonization of accounting advancement in periods earlier than the modern era. The need to identify credible explanations of the principles fundamental to double entry book keeping over time determined by numerous exhibitions of thought have provoked this study. Accounting, as it is practice today evolved gradually over the years, therefore, its development cannot be undermined. Since the inception of trade and other economic activities, ancient civilizations recognized the needs for proper record keeping, members of old civilization employed some rudimentary systems of keeping track of their trading activities between tribes or regions. However, the industrial and technology evolution promoted the needs for accountant to provide advanced financial information for informed economic decision. Then, the double-entry book keeping system (DEBS) was formulated in response to challenges of early century's commercial activities. Thereafter, conflicts resulting from differences in accounting thought and practice globally have given rise to clamoring for harmonization of accounting practice on the basis of comparability of financial statement. In spite of established world-wide accounting standards by various accounting standard setters, harmonization still remain unsolved, complex, and full of controversy. The study focuses on history of accounting thought starting from when accounting were first discovered as a method of trading and recording to the recent time when it is recognized and treated as a full fledge profession, including the long time diversity that hindered harmonization of financial statement as well as universal accounting practice. Therefore, accounting as a problem-oriented discipline need to develop globally accepted accounting standards capable of promoting comparability of financial statements and universal accounting practice.*

KEYWORDS: Accounting History, Accounting Thought, Accounting Harmonization, Accounting Concept, Double entry Book keeping.

INTRODUCTION

The history of accounting thought and it knowledge is as old as time, although, some researchers argued that no precise date and location of origin of accounting. Hence, historical research and findings are gap filling exercise. In practice, it is a known fact that examination of the past activities enables information users to appreciate the complexity and persistence of many problems currently facing accountant and the researchers in the field of accounting, on how to proffer solution to the identified problems. Historically, accounting has been in existence before the advent of the concept of money, that is, in the period of barter trading, where goods were being exchanged for goods and services for services. Trade by barter economy were characterized by inaccurate measurement, goods and services were exchange at arms-length, and the practice was time consuming because the concept of marketing was not

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in place, those who need one thing has to go and search for alternative possessor who is ready to exchange for what they want, this is known as coincidence of wants and it was cumbersome. In another development, evidence that accounting has been in existence before the introduction of money were supported by archeologists, historians, and fossils records or discoveries, meaning that the process of stewardship has been in practice since the time immemorial (Mattessich, 1989). Therefore, accounting is as old as human existence.

Consequently, the needs to ameliorate the inherent problems encountered in barter economy has been the major contribution to the development of modern accounting over the years, with particular reference to nature and objectives of accounting, the responsibilities of accountants, theory formulation, and accounting techniques used by various professional. Perhaps, the efforts of researchers, academia, students, and practitioners in the field of accounting cannot be overemphasized. Therefore, accounting has been defined by many researchers and other concerns parties as a method of recording, classifying, selecting, measuring, interpreting, and communicating financial data of a corporate investment to the relevant stakeholders for business decision.

Conceptual overview of accounting. The history of accounting thought is as old as civilization, however, accountants actively involved in the building and development of modern economy, that is, the development of concepts of trade and wealth accumulation through the use of monetary as value for measuring economic items. Accountants fully developed the concept of double entry book keeping which is central to modern financial record keeping; this saves banks, investors, and entrepreneurs from going bankrupt. The role of accountant in the ancient civilization has clearly demonstrated through archeologist, historian artifact and fossil records, evidence shows that writing was discovered 5000 years ago, and findings revealed that it was discovered by accounting practitioners (Salisu, 2011).

However, tremendous success of accounting in the modern time depends on the concept of DEBS, this concept was discovered by an Italian mathematician called Lucas Pacioli in 1494. Luca Pacioli was the first to document the “Details of Accounting and Recording” that described book keeping which is the first complete description of double entry book keeping (Gaijsbeek, 1914). This period followed the industrial revolution of 1960s, additionally, contemporary organizations required the accountant to provide useful information to make an informed economic decision, these includes big corporations, and capital markets. These necessity alongside with information technology were realities that called for new accounting paradigms. It is against this backdrop that, understanding the history and philosophy of accounting thought is required to further develop accounting profession and to cater for future challenges.

However, it is not an overstatement to say that theory play significant role in the development of accounting practice. Therefore, theory is a process of simplification, which requires assumptions that permit the representation of reality by generalization that is easily understood (Glautier & Underdown, 2011). I addition, theory is a formal set of idea that is intended to explain why something happens or exist. In order word, it is pertinent to understand the meaning, scope, and application of a theory in social sciences in order to appreciate the work of accounting theory (Unegbu, 2014). According to American Institute of Certified Public Accountants (AICPA, 1970) a theory is a principle that unifies the underlying ideas or logical sense of reasoning.

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The Evolution of Modern Accounting Theory

Accounting profession has a biography which is the foundation of every discipline, it allows user to have an idea or fact about the discipline in view. Also the review of historical development of accounting enables accounting professionals to understand, analyze, and interpret the evolution of accounting to meet the change expectation of society. Stewardship, accountability, tax administration, inventory, wage and other form of accountability has been in existence as old as 4500 B.C. For better understanding of the historical development of accounting, the review will be divided into the following accounting period: 1. Egyptian accounting era, 2. Greek, 3. Italy, 4. Babylonia, and 5. Early Islamic accounting era (Gaijsbeek, 1914).

Accounting in Ancient Civilization of Egyptian Era, 1000-3000 BC. Accounting in early Egyptian civilization emerged as a result of agricultural activities around the River Nile Valley as well as mineral deposit around the valley and the surrounding desert, in addition, the establishment of central administration to facilitate trading of agricultural produce among the neighboring communities, the joint construction of agricultural project as a result of rich fertile soil and availability of irrigation facilities with surrounding regions. Amongst other thing is the concept of writing that were developed in early Egyptian era. Consequently, early Egyptians were known to be warriors, they had military capability with intention to defeat foreign enemies and becomes dominance within the regions. The Old Kingdom of Egypt existed between (1050-2181 BC), this kingdom advanced in early technology, art, and architecture these promote trading activities within the regions and further developed central administrative system of government as at that time. Some of the achievement of this ancient time is the building of Great Sphinx, and Giza pyramid. Abundant supply of food, commodity trading in the form of Gold, Wild animal, Ivory, Ebony, Aromatic resins, artifacts in exchange for Tin, Copper, Metal, and other necessary materials from neighboring communities for their survival, as popularly says that no nation is self-sufficient (Balogun et al,. 2015).

The Greek Civilization 1-1000 BC. Greece and Rome were the ancient communities who invented coinage in about 630 BC (Chatfield, 1977). Greece had the most advanced economic history in the world, through its ability to expand it colony across the world to the east, south coast, southern France and north east. Greece colonies expanded to the western coast of Lilyra, Sicily and Southern Italy. Including Southern France, Corsical and north eastern Spain. To the east, Asia region, Cyprus and the coast of Thrace, south coast of Black Sea, the present Ukraine and Russia as well as Egypt and Libya. The colony expansion facilitates trading capacity of ancient Greece, particularly in the areas of sculpture and architecture. Nonetheless, the Roman Empire made significant discovery in the field of medicine, Hippocrate is a famous physician, He is also known as father of medicine. Greece made advance history in preindustrial economy. However, during this period wages were made available to workers (Chatfield, 1977; Gaijsbeek, 1914).

Accounting Activities in Ancient City of Italian State (1394-1800). The merchants of Florence, Geneo and Venice demonstrate accounting process by appointing some accounting officials to recorded the wealth of other merchants who are migrating to Europe through Sailing-ship from the then Old World. More so, history revealed that the oldest double entry record was founded in the Republic of Genoa in 1801, written by Messari an Italian treasurer. Messari demonstrate efficient utilization of double entry system through the use of journal entry, this later employed by bankers and merchants of Florence, Geneo and Venice (Balogun et al,. 2015; Chatfield, 1977). Additionally, throughout the double entries and the first

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accounting institution established in 1581 in Boudqua city, and also agreed that the historical accounting was divided in to four periods before 1495, 1495-1800 which emphasis on double entries, trading, and evolutions. However, the oldest discovered record of a complete double-entry system is the Messari (Italian: Treasurer's) accounts of the Republic of Genoa in 1801. The Messari accounts contain debits and credits journalized in a bilateral form, and contain balances carried forward from the preceding year, and therefore enjoy general recognition as a double-entry system. By the end of the 15th century, the bankers and merchants of Florence, Genoa, Venice and Lübeck used this system widely. The earliest extant evidence of full double-entry bookkeeping is the Farolfi ledger of 1801-1955. Giovanno Farolfi & Company were a firm of Florentine merchants whose head office was in Nîmes who also acted as moneylenders to the Archbishop of Arles, their most important customer. The oldest discovered record of a complete double-entry system is the Messari (Italian: Treasurer's) accounts of the city of Genoa in 1809 (Mohamud & Hikmat, 2013). The Messari accounts contain debits and credits journalised in a bilateral form, and contain balances carried forward from the preceding year, and therefore enjoy general recognition as a double-entry system.

Portrait of Luca Pacioli, attributed to Jacopo de' Barbari, 1935, (Museo di Capodimonte). Luca Pacioli's "Summa de Arithmetica, Geometria, Proportioni et Proportionalità" (early Italian: "Review of Arithmetic, Geometry, Ratio and Proportion") was first printed and published in Venice in 1494. It included a 27-page treatise on bookkeeping, "Particularis de Computis et Scripturis" (Latin: "Details of Calculation and Recording"). It was written primarily for, and sold mainly to, merchants who used the book as a reference text, as a source of pleasure from the mathematical puzzles it contained, and to aid the education of their sons. It represents the first known printed treatise on bookkeeping; and it is widely believed to be the forerunner of modern bookkeeping practice (Oldroyd & Dobie, 1917). In Summa Arithmetica, Pacioli introduced symbols for plus and minus for the first time in a printed book, symbols that became standard notation in Italian Renaissance mathematics. Summa Arithmetica was also the first known book printed in Italy to contain algebra.

Although Luca Pacioli did not invent double-entry bookkeeping, his 27-page treatise on bookkeeping contained the first known published work on that topic, and is said to have laid the foundation for double-entry bookkeeping as it is practiced today. Even though Pacioli's treatise exhibits almost no originality, it is generally considered as an important work, mainly because of its wide circulation, it was written in the vernacular Italian language, and it was a printed book (Oldroyd & Dobie, 1917).

Babylonia Ancient Accounting Practice (2000-3000) BC. The ancient Babylonial Empire were known for cultural, social, and political administration in human history, the empire was strong and manifested throughout the land (Mohammud, 2013) The city of Babylon was known as a center of civilization and historic for centuries as it operate as a powerful kingdom governed by the King. The kingdom exercise power of authority over so many land, thereby acquired and conquered foreign land in large hectares, the land were put into agricultural use by the help of irrigation through Mesopotania River. Agricultural produce were used as a source of trade connecting customers cross cities and regions. Consequently, this later give rise to a fully developed market economy using commodity money as a measure of value. During this period, business law were established as it is today (Chatfield, 1977; Mohammud, 2013).

Early Islamic Accounting Era (652 AD). Islamic religion emerged from Makkah in the year 610 AD through the revelation of Holy Qur'an to Prophet Muhammed peace be upon Him. However, Arabs were known for a life characterized by tribal war within the Arabian

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Peninsula. Prior to this time there is no specific rule of law guiding the kingdom except the order of head of the tribe (Gaijsbeek, 1914). In a nutshell, the establishment of Islamic empire in 622 AD in Al-Madinah Al Munaw'warah along with the principle of brotherhood that required Muslims to act as a single body without discrimination. Prior to this time, Arabs peninsula were known for trading activities within the region and beyond, these includes, Syria, Iraq, Europe, Asia, Africa and far East. Islam brought total liberation to the world, because it is a complete way of life, between 700-1200 centuries, Islam led the world in governance, social, standard of living, tax administration (Zakat), power, organization, scholar, literature, science, medicine and philosophy.

It was the knowledge of Islam that developed Greek mathematics, chemistry, physics, astronomy and medicine. During this period, west was sinking into the historians called the Dark Ages. Islam introduced the mechanism of transparency and accountability in business and government, the concept of calculation and payment of Zakat was the origin of accounting system in the Kingdom, this later developed into introduction of formal book of account and recording procedure according to Islamic Shari'ah, during the period of Calihp Omar bin Al-Kattab, the immediate successor of Prophet Mohammed peace be upon him. Qur'an also mandate the recording of debt and economic transaction as well as the distribution of the will (Balogun et al., 2015; Gaijsbeek, 1914). The saying that civilization began from Arab communities and Egypt can be supported with the following evidences; the exchange of goods and services with adequate records, signs, symbol, names, period, moon, were employed to explain transaction of different nature, sometime sings and line were drawn on the wall, Whallah, also known as Slate with pen and ink in early Islam civilization (Dabor, 2008). During this period accounting development were identified in four phases as stated below.

I. Pre-Capitalist period, 4000 BC-1000 AD.

II. Commercial Capitalism period 1000-1750 AD.

III. Industrial Capitalism, 1760-1830 AD.

IV. Financial Capitalism, 1830 AD to present time. A brief description of each stage as follows:

Pre-capitalist era, 4000 BC- 1000 AD. This was the era of Mesopotamian civilization that extended and ended in Greek during the "Dark Ages". The emergence of business activities within and outside the arable Mesopotamian valley actually supported accounting and record keeping. During this time, knotted card was designed to keep records. Moreover, further advancement were made by writing inscriptions on the table, writing on the papyrus and paper, profit were also calculated from records of goods sold. Actually this period is known as non-economic era.

Commercial Capitalism 1000-1750 AD. This period was known as stock transaction period investors as at that time traded on stock, investment in fixed assets was not feasible, the economy were known for capitalist dominancy. This was, the advancement of Mediterranean commercial activities between eleventh to thirteenth centuries were in the control and management of capitalist. Changes occurred between 1000 and 1300 AD, commercial activities expand in Britain due to geographical discovery, colonization of other regions and foreign trade involvement. This developed into social and politics deeds. Hence, book keeping account were fully developed to meet the changing needs of commerce.

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Industrial Capitalism, 1760-1830. This was the period of industrial revolution in UK. There was evolution of large scale business operation, ranging from large factories and machine based production (Abdel-Qader, 2002). Capitalist continue to grow, increase in labor force, and transportation development. In response to social economic advancement, capital market were established to foster market share and regulate commercial activities. Similarly, Joint Stock Companies Act was passed in 1844 in UK. This give direction to establishment of corporate structure, and accounting became a full fledge profession as a result of introduction of balance sheet, preparation and presentation of financial statement were equally emerged (Otto, 1945).

Financial Capitalism Period, 1830 AD to Date. During this period commercial activities had fully developed alongside the technology discovery, therefore, there was need for large scale capital finance to fund capital projects, usually for public use. The significant achievement during this economic era was the construction of Liverpool and Manchester Railway which was opened in 1830. Capital markets were improved for equity trading and borrowing, financial and other transaction data were stored and processed on a large scale with help of computer. However, the development to accounting approach during this period were the ability to identifies and proffer solution to some accounting problem of asset valuation, how to arrive at periodic profit, the nature and contents of financial statement to be made available to shareholders. This promote the demand for accounting professionals, thereafter, accounting professionals body started to emerged, especially in Italy and beyond. The growth in corporate size and capacity called for increase credibility of financial statement.

America Accounting Profession. For individuals and businesses, accounting records in Colonial America often were very elementary. Most records of this period relied on the single-entry method or were simply narrative accounts of transactions (Espeland, 1991). As rudimentary as they were, these records were important because the colonial economy was largely a barter and credit system with substantial time passing before payments were made. Accounting records were often the only reliable records of such historical transactions. Prior to the late 1890s, the terms bookkeeping and accounting were often used interchangeably because the recording/posting process was central to both activities. There was little need for financial statements (for example, income statements) because most owners had direct knowledge of their businesses and, therefore, could rely on elementary bookkeeping procedures for information (Lee, 1977; Neugebauer, 1945; Otto, 1945).

Although corporations (e.g., banks, canal companies) were present in the United States prior to the early 1800s, their numbers were few. Beginning in the late 1820s, however, the number of corporations rapidly increased with the creation and expansion of the railroads (Otar, 1994). To operate successfully, the railroads needed cost reports, production reports, financial statements, and operating ratios that were more complex than simple recording procedures could provide. The accountant's responsibility, therefore, expanded beyond simply recording entries to include the preparation, classification, and analysis of financial statements. As Oldroyd (1917) wrote in The Rise of the Accounting Profession, "the nineteenth century saw bookkeeping expanded into accounting.

Accounting Thought and Accounting Paradigm

Accounting is a practice that is based on different methods of application, for instance a similar firms may employed different methods of valuation of inventory and cost of goods sold such as; LIFO, FIFO, and AM to arrive at the same figure or answer. Although, this could be regarded as an “accounting construct” that is, an accountant game that does not reflect the real

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world reality. That is the reason why accounting is regarded as "dismal science" with analytical method of study that generate precise answer that is either right or wrong (Otto, 1945). However, it is believed that some accounting theories cannot measured economic reality, this is why accounting is subjected to a number of criticisms. For example, it is good to consider the issues of "replacement cost or entry value and exit value" of asset valuation, the formal agreed that an asset should be valued at the existing market price, while the later says that an asset should be measured or valued at amount considered realizable from the sale of the asset. Another example is the adoption of historical cost and fair value by different entities, and the use of accrual versus cash basis, all these choice among accounting values falls within the realm of accounting thought.

Nonetheless, accounting theory were given different definition by various accounting literature. Accounting theory is defined as the basic assumption, definitions, principles, and concepts and how it is obtain. Extensive discussion and argument has been existed as to what these basic assumptions, definitions, principles, and concepts entails, therefore, accounting theory is never an end to accounting issues, dialogue will never end especially on new accounting issues and problems. Accounting theory also covers the aspect of preparation and reporting of financial information, therefore, as the name implies it only cover financial accounting but not managerial or government accounting. In a nutshell, underlying conceptual framework and accounting rules for practice of accounting fall under the coverage of accounting theory. Accounting theory also implies a cohesive set of conceptual, hypothetical and pragmatic framework explaining and guiding the practitioners' actions in identifying, analyzing, measuring and communicating economic information to the users of financial information (Anao, 1996; America Accounting Association, 1996; America Institute of Certified Public Accountant, 1970). However, these principles however, contradict and conflict the interest of different users of financial information because various parties used the information for different purpose (Obara, 2001).

As theories are evolving, some are either rejected or accepted or continually being revised or modified in order to keep pace with the increasing complexity of business operations and business risks. This is what brought about the issues of formulation and harmonization of accounting standard towards uniformity practice. Going by the explanations above, it could be concluded that there is needs for unifying accounting principles and practice globally, and to explore accounting theory in resolving area of diversities among users and preparers of financial information. However, accounting theory is being interpreted differently, the principles, concepts, conventions, doctrines, standards, rules, assumptions, axioms, postulates and procedures are used interchangeably by various users. Rather, the major objectives of accounting theory are rational judgment, universal applicability, comparability, and acceptability of financial statements. Based on these concepts, accounting harmonization is highly required in the practice of accounting globally. Consequently, accountants across the globe are struggling towards harmonizing accounting practice, this is what give rise to the establishment of various accounting standard bodies who are meant to ensure uniformity and standardization in accounting theory and practice, through issuance of accounting standards. Accounting standard boards are also responsible for the development of theoretical framework for validating financial reporting practice generally, and to enable future development to take effect amidst the objectives of international accounting standard boards (Mohamud & Hikmat, 2013).

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Therefore, accounting harmonization simply means ability to unified different gap that exist in the practice of accounting. Hence, it was the agitation for a common set of accounting standard that led to harmonization of global accounting standards. The process of harmonization of accounting standards would enable countries to exchange compatible financial information between each other. However, harmonization of accounting practice would promote local and global market expansion, and minimized controversies in the preparation and presentation format of financial information, since everybody would follow the same policy. Harmonization of accounting practice comes up with a number of benefits; it will help global economy by facilitating easy foreign transaction at a minimum cost, world economic resources will be better allocated and manage, it will promote viable economic decision, it promote free flow of economic information across different geographical regions of the world, and remove avoidable trade barriers. Additionally, the relevance of various accounting standard boards cannot be over emphasized in convergence and harmonization of accounting profession. It is interesting to note that, in spite of unrelenting efforts of various international accounting standards towards ensuring comparability of accounting information which serves as the basis for international accounting harmonization, several hindrances prevent the achievement of harmonization's objectives, these obstacles are; cultural diversity, political differences, language barrier, currency differences, legal framework, differences in government policies, early accounting practitioners, lack of consensus between practitioners, and academia to mention but a few (Solas, 1994).

Recent Growths and Development in Accounting

Accounting practice has t a thorough contribution in the area of economic or investment decision making, social and political growth, business knowledge and intelligent gathering, auditing and investigation. Therefore, evolution of new area of accounting studies from; cost accounting, managerial accounting, management information system, auditing and assurance, and unification of global accounting practice is long overdue. Hence, the followings are the major notable contributors that enhanced recent spur in the growth and development of accounting:

Regional Associations. Regional alliance in the field of accounting has positive effect in the growth and development of accounting, as the process helped to collate and develop accounting principles that are related to conduct of accounting in line with their socio-economic advancement, political ideology, government administration, religion and cultural beliefs, these serves as guidelines in the furtherance of International Accounting Standards development framework (Glautier & Underdown, 2001).

Institutional Constituted Accountancy Bodies. The institutional structure of accounting profession made possible the formation and amalgamation of various accounting bodies in 1965. By 1970, ICAEW formed an Accounting Standard Steering Committee (ASSC) now called Accounting Standards Committee (ASC). Early Committee members include; Institute of Chartered Accountants of Ireland (ICAI: 1970), Association of Chartered Certified Accountant, (ACCA, 1973) Institute of management Accountants, (ICMA, 1976) and the Chartered Institute of Public Finance and Accountancy (CIPFA: 1976). Others include Financial Accounting Standard Board (FASB); European Economic Community (EEC) now European Union (EU) Security and Exchange Commission (SEC), Financial Reporting Standard Board (FRSB), Institute of Charter Accountant of Nigeria (ICAN). These professional accounting bodies are self-regularity and were saddled with the responsibility of reviewing standards on Financial Accounting and reporting and to publish consultative

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documents on maintaining and advancing accounting standards. Also to propose to the councils the best statements of standard accounting practice (Unegbu, 2014).

Accounting Standards Setting. Accounting standards are the various theories, rules, laws, concept, principles, Postulates, assumptions, axioms, that stands as norms of accounting policies and practices, violation of it may disrupt the truth and fairness of financial statement . Accounting standards bring about uniformity in financial reporting as well as consistency and comparability of financial statement to promote informed economic decision globally. More so, harmonization of financial statement enables global accounting practice to be view as a single entity which constitutes the basis of accounting practice.

Researchers. Recent grow in the study of accounting as a discipline in various institution of studies has promote research in the field of accounting, most especially the academician and the academia. Accounting research provides insights on how to provide solution to identified accounting problem both at the present and in the future. The outcome of accounting research, development of double-entry principles, ideas and suggestions by various parties gave rise to tremendous expansion of knowledge of accounting by providing the impetus for the development of a system of accounting software packages, training, workshop, seminar, and ICT.

Areas of Diversities in Accounting Practice. Accounting like other discipline has its own area of controversies, as it is popularly says that no system is perfect. Some of these include:

Cultural Diversity. Cultural integration enables a system to become a strong entity in which individual value is represented, this promote teamwork and common behavior that leads to the success of a particular goal (Grabowski & Roberts, 1999). Therefore, cultural integration is the major impediment in realizing the goal of establishing international accounting standards worldwide. Also, cultural imperialism as a result of colonization of less powerful countries by developed nations had greater effects on early accounting development. Religion doctrine is an integral aspect of culture, and this dictates the methods of accounting of some societies, for example, Islamic does not encourage interest payment on loans and advances which however negates business ethics of capital growth and appreciation or increase.

Language Barrier. Differences in medium of communication across the globe had hindered smooth interpretation of some methods of accounting including those prepared by the so called International Accounting Standard Bodies. This is equally a setback in early accounting period as a result, it is difficult to formulate a universal accounting principles (Solas, 1994).

Early accounting practitioners. The early accounting practiced was crude and isolated. Early accounting era was characterized by regional trading activities, practitioners as at that time practiced accounting according to their societal norms. This practice still reflects in today's accounting practice, it therefore difficult to operate uniform accounting practice.

Lack of Unified Objective between Academicians and Practitioners. Often time, what is been taught in the classroom is different from what is been practice or reality at organizational level. Hence, there is always disagreement between accounting practitioner and academic over some accounting issues which left unresolved; this has hindered growth and development in the field of accounting.

Diversity in Government Policies. Obviously, politics is a product of culture, therefore, political or government administration of developed countries is not similar to that of

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developing countries, in essence, countries adopt accounting system considered appropriate to their socio-economic, political and cultural environment. This is a drawback to accounting standard setting.

Legal Differences. Rule of law is the major determinant of economic prospect of a nation as well as measurement, treatment and disclosure of economic transaction, these is quite from one nation to the other, this is having a great influence on accounting uniformity globally.

Currency Difference. Measurement is the basis of accounting and money is the only means to measuring value in the modern time, therefore, accounting as a global discipline use difference currencies to records and interpret transactions this led to the problem of consolidation of financial statement between the parent and subsidiary companies. Also, inflation had caused devastating effects on exchange rate specifically in developing and warring nation's leading to difficulties in comparability of financial statement and monetary value across the globe.

CONCLUSION AND RECOMMENDATION

Accounting thought and it philosophy has developed in recent time in response to changing expectation of the society. There is increase evidence that sociological and economic changes as a result of technology discovery have a considerate effect on accounting thought and accounting practice. The decades of industrial and technology evolution have seen many environmental changes that have explicitly and implicitly affect the practice of accounting; these changes have forced the profession to employ new thoughts and methods in the field of accounting. Consequently, accounting concepts, principles and practices were adopted to meet modern expectation, whereas, the historical concept of accounting provide hints and explanations about most of important events that brings about the discovery and development of modern accounting.

Historically, accounting is best portrayed as a problem-oriented discipline that is peculiar to modern society in terms of socio-economic problems, therefore, accounting principles, concepts, methods, and techniques should be directed towards providing information capable of diagnosing, analyzing, and providing resolution to these crucial problems. However, the fundamental reason for diversity in accounting practice is the differences in accounting thought throughout the world and this is what led to the concept of harmonization of accounting practice or financial information. International harmonization is the process of bringing together regional or national accounting standards to achieve some sort of generally accepted principles according to which accounting can be practiced. Globally accepted standards will also promote comparability of financial statements as well as cross border investment and capital market integration (Solas, 1994).

It is therefore recommended that accountant should be sensitive to the changing expectation of relevant groups or stakeholders while at the same time containing these expectations within the constraints of what is possible. Since the starting point of the harmonization process is found in the differences of accounting practices, more emphasis should be laid on how to achieved universal accounting reforms that will proffer solutions to inherent problems of accounting diversity. In spite of efforts of various accounting standard setter, to

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