

*Danuta Misińska\**

## SCHOOL OF ACCOUNTING

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Accounting as a branch of applied science is shaped by science, politics and practise. The practise of accounting remains under the influence of constantly developing scientific knowledge on principles of functioning, organizing and designing information and accounting systems, appraising the results of economic and financial activities of economic agents. The policy of accounting is a customary and legal regulation which decides about the contents and forms of practically functioning accounting systems. This aspect of accounting is reflected not only in local legal norms but from the early 1970's in the International Accounting Standards in the EU Directives. Distinguishing the above designates of accounting is necessary to characterize fifty years of functioning of the school of accounting within the Wrocław University of Economics. For nearly forty years the policy of accounting in Poland was to a large degree defined by the system of command and distributing economy which had an influence on the areas of accounting where on one hand were undertaken scientific tasks, on the other hand realized didactic tasks.

Didactic tasks connected with preparing graduates to fulfill practical functions in financial and accounting services were realized from the very beginnings of the University which was created in February 1947 as a private school called Wyższa Szkoła Handlowa (Higher School of Commerce). The first teachers were: Dr. Władysław Bartyński (Director of the Cooperative Secondary School in Wrocław), Dr. Jan Treter (Director of the Publishing House 'Książnica Atlas', subsequently employed in the School as a Deputy Professor until 1961), Professor Stefan Górniak, Professor Bolesław Siwoń. They ran lectures and classes on the following subjects: general and specialized bookkeeping accounting and industrial calculation, analysis of financial statements and profitability of enterprises.

In the development of the Wrocław school of accounting, one can differentiate a few phases assuming varying criteria of their division. The first phase, in the year 1947-1949 – organizing the centre of didactic work; second phase from 1949-1960, development of academic activity under the management of the heads of the department Professor S. Górniak (1949-1951) and

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Professor B. Siwoń (1951-1974). One should stress that both Professors continued the traditions of the pre-war school of accounting (Lwów University, Higher School of Foreign Trade in Lwów). In the Wrocław Department of Accounting were conferred the first doctor's degrees in accounting (after 1956) and habilitation degrees (after 1960). The third phase marks the beginnings of the scientific and research activities (1960-1989) which can be attributed to the Professors: Ryszard Stadtmüller (died 1980), Stanisław Jagiełło (Dr. hab., retired in 1986), Bolesław Siwoń (retired 1985, died 1996), Henryk Sobis (Dr. hab., the creator of computerized accounting and long-term employee of the Institute of Computer Science, died 1991). They undertook research problems in the areas of record-making, reporting financial analysis and computerized accounting. Professor Wiktor Malc (Dr. hab, retired 1989, died 1995) employed in 1953, dealt with problems of cost accounting and cost analysis.

Professor R. Stadtmüller accepted the assumption that the appraisal of economic phenomena and processes is correct only in relation to its micro- and macroeconomic environment which decides about the accuracy of recording and reporting solutions. It was expressed in the papers on theory of gains/losses accounting. Professor S. Jagiełło undertook the problems connected with the influence of inflation on measuring the costs through appraisal of elements of assets of an economic subject. These issues were included into the results of research entitled 'Accountancy 2000' (coordinated by the Association of Accountants in Poland) in which the majority of the staff took part in the 1980's. Both Professors stressed the role and place of financial analysis in the general concept of accounting as a practical knowledge. One should mention here the following publications on this subject: S. Jagiełło, R. Stadtmüller, W. Sołtys: *Reporting and Financial Analysis* (1978); R. Stadtmüller: *Theoretical Basis of Accounting* (1981), an academic textbook of nationwide significance which created the basis of teaching the theory of accounting.

Professor H. Sobis made a major contribution to the development of computerized accounting, and in particular to organizing the centre of accounting, initially mechanized and later the computerized one.

The main trend in scientific research of Professor B. Siwoń was the search for ways of measuring the effectiveness of economic activity. He claimed that the economic effectiveness expressed in financial results reflects the effectiveness of decisions made in economic activity. His view that accounting should be treated as a science of the methods examining the results of an economic measurement was a view that differed from that of the centralized command distributing economy and had to be put aside until the 1990's. In his works published in 1994-1996 Professor recalled that Polish accounting has its theoretical achievements which, faced by the requirements of modern practise, should be updated according to 'you can't create theory without knowing the

current practise and 'you can't modify the practise without knowing the theory'. His works, devoted to the financial survey of economic activity, referred to managing accounting and among them are: *Contemporary Development Trends of Cost and Results Account* (1972), *Informative Function of Accounting* (1977), *Financial Survey of Company's Activity* (1989), *How a Manager Counts. System of Information and Calculation* (1992), *How to Control Profitability* (1994).

The interests of Professors R. Stadtmüller, S. Jagiełło and B. Siwoń were shared by their students: Włodzimierz Sołtys (employed 1955-1996, auditor), obtained a doctorate in 1964 with his dissertation *Economic Internal Control of a Company*, and dealt with reporting and financial analysis and recently the issues of recording and pricing of securities; Janusz Mindowicz (at present Senior Lecturer and auditor), obtained a doctorate with *Methodological Problems of Gains/Losses Accounting in Selected Cooperatives*, at present deals with problems of appraisal and recording of assets in various forms of property; Jadwiga Szafranec (auditor, head of the Regional Chamber of Certified Accountants and Chairwoman of Wrocław branch of the Association of Accountants in Poland), obtained doctorate 1974 with *Costs of Hotel Services*, awarded the S. Skrzywan prize; Władysław Fałowski (Senior Lecturer, auditor), doctorate in 1976 with *Cost Accounting of Joint Production of Electric and Thermal Energy*, Teresa Cebrowska (auditor) doctorate in 1978 with *Appraisal of the Usefulness of Financial Reporting for the Analysis of Company Activity*, Waldemar Dotkuś, doctorate in 1980 with *Cost Accounting as a Source of Information for Allocating Heavy Construction Equipment*, at present involved is financial accounting.

The interest of the above-mentioned academic staff can be characterized by a practical aspect which is also underlined by the profession of auditor, practised by most of them. In their teaching and papers prepared for the annual nationwide convention of accounting departments and other academic conferences, they join the solutions of accounting policy based on their own experience of financial reporting and other research into economic practise.

Two of the students of Professor R. Stadtmüller can be named as continuators of the subjects researched by him and Professor B. Siwoń, relating to the issues of management accounting: Mirosława Kwiecień and Andrzej Kardasz. M. Kwiecień (Professor WUE, since 1996) obtained a doctorate in 1976 with her dissertation *Examining the Interdependence between Cost and Size and Structure of Turnover in Catering* (the S. Skrzywan prize), received her habilitation degree in 1992 with *Accounting as a Managerial Tool. System with Knowledge Base*. Dr. hab. M. Kwiecień edited such works as *Microcomputer Aided Accounting for Costs, Gains and Losses* (1986, 1988), *Financial Analysis*

*Using Modern Computer Technology* (1992). She runs research on behalf of economic units (such as cash flows KGHM 'Polska Miedź' S.A.) which allows her to combine the theory and practise of accounting using Polish and international accounting standards. Her articles and papers prepared for Polish and international conferences and congresses of accounting (among others Nice, Madrid, Graz) refer to the problems of managerial accounting (budget costs accounting and financial reporting (consolidated statements of cash flows). Andrzej Kardasz (Professor WUE, since 1996) who obtained a doctorate in 1975 with his dissertation *Methodological Problems of Gains/Losses Accounting in Multi-Company Enterprise in the Energy Industry*, received his habilitation degree in 1993 with *Gains/Losses Accounting its Functioning in Economic Entities*, at present his interests concentrate on the issues of information support of the controlling instruments and financial planning, including educational units.

The problems of harmonizing Polish legal norms with International Accounting standards and EU Directives have been, since 1992, the subject of research in the Department of Theory of Accounting and Financial Analysis within its statutory activity. The research subjects have been directed by the Head of the Department, Professor Dr. hab. Danuta Misińska (auditor), employed in the Department of Accounting since 1984, after an eight year period spent in the accounting department of an industrial enterprise, and twenty year work in the Institute of Political Economy.

The issues mentioned above are also referred to in: a study by Dr. Maria Niewiadoma (doctorate obtained in 1990 with a dissertation *Gains/Losses Accounting for Seasonal Production in the Sugar Industry*, also the author of *English-Polish Lexicon of Accounting* (1992), *Polish-English Dictionary for Managers* (1997); doctoral dissertation of Bożena Rudnicka *Financial Reporting as a Basis of Appraising the Credit Worthiness of a Company*, study by Professor B. Misińska *Rudiments of Accounting* (1994 and 1995), *Accounting of a Commercial Bank* (1995), *Bank Accountin* (1996).

This research trend joins all the designates of accounting: theory, policy and practise, and found expression in the annual, since 1994, scientific conferences jointly organized by the Institute of Accounting, the Regional Chamber of Auditors and the Wrocław Division of the Association of Accountants in Poland. In this research area can be also included the works of Zbigniew Luty (Professor WUE, head of Department of Accounting and Financial Control) who obtained a doctorate in 1983, the habilitation degree in 1990, related to the subject of planning cost accounting such as: *Financial Accounting* (1992), *Dynamic Processes in Accounting* (1994), and also in the subjects in research directed by him and related to evaluating economic entities and inflationary accounting.

One should not also leave out the works of the late Mieczysław Kufel, (doctorate 1983, habilitation degree in 1990, Professor WUE in 1993, died unexpectedly in 1993), who apart from the problems of cost accounting discussed in his other works, directed his interests to such subjects as (co-written): *Methods of Company Appraisal* (1992), *Financial Investments. Accounting and Management* (1992), *An Introduction to Company Accounting. Balancing Assets and Capital* (1993). The doctoral dissertation of Edward Pielichaty *Economic Determinants of Setting Stock Market Prices* (1994), also belongs to that sphere of interest. Therefore one can say that the research interest of Professors R. Stadtmüller, S. Jagiełło and B. Siwoń are continued by the staff of two departments: Theory of Accounting and Financial Analysis, and Financial Accounting and Controlling.

Professor Wiktor Malc is undoubtedly the creator of the Wrocław school of accounting in the theoretical areas and practical problems of cost accounting and cost analysis. His works on accounting of stipulated costs, and measuring costs levels, can be called innovative in Poland. They were extremely significant for spreading the knowledge of the possibilities given by this discipline in management processes, despite the fact that they could not be applied in the practise of the former political system. When the process of system transformation in Poland began, the works of the Professor became particularly topical, among the *Stipulated Cost Accounting in an Industrial Enterprise* (1963), *Measuring the Level of Costs in Industry* (1996), *Normative Cost Accounting Using Computer Technology* (1975, co-author and editor), *Cost Accounting* (1979 and 1990, co-author), *Methods of Costs Research* (1995, co-author). Among the Professor's output are over 130 publications in Poland and abroad, including textbooks and teaching materials, several unpublished works on economic practise, and papers presented during Polish and international seminars and scientific conferences.

The starting point of the Professor's considerations was accepting the assumption that the cost of products is a category measured by cost accounting and that the measuring of costs and changes of their level is possible through calculating normative costs. One of the more interesting areas of the Professor's research are the problems of the relations between econometric modelling and costs accounting. The Professor concentrated on descriptive models, and at the same time showed the possibility of using econometric models in the systematic costs accounting and in decisional costs accounting.

Among his students were: Danuta Sołtys (Professor WUE, head of Department of Cost Accounting Systems and Controlling in the Faculty of Economics and Industrial Engineering), obtained a doctorate in 1974 with the dissertation *Account of Normative Costs in Mechanical Production of Organic*

Industry, and received her habilitation degree in 1991 with *Methodological Premises of Realizing the Function of Costs in Conditions of Mechanical Production*; Edward Jończak (Senior Lecturer), doctorate in 1978 with *The Evolution of Normative Costs in Conditions of Computer Technology*; Jerzy Mońka, doctorate in 1983 with *Economic and Organizational Premises of Appraising the Consumption of Basic Materials in Selected Branches of Food and Chemical Industry*, Małgorzata Mrowiec-Durbajłło, doctorate in 1994 with *Establishing the Income Value of Privatized Companies*; Halina Majerczyk, doctorate in 1994 with *Planning and Controlling Costs in Research and Development*.

The continuator of the ideas related to econometric modelling is Professor Dr. hab. Edward Nowak (employed in the Institute of Accounting since 1988 after twelve years spent in the Institute of Economic Cybernetics), at present head of the Department of Cost Accounting and Analysis, and head of the Institute of Accounting at the Faculty of Management and Computer Science. Professor E. Nowak shows in his works the role and place of the quantitative methods in cost accounting and costs analysis and in managerial accounting. In his book *Decisional Costs Accounting* (1994) he presented various decisional situations in which costs occur as a criterion or the parameters of decisional models. In his work *The Theory of Costs in Business Management* (1996), he refers to the use of information related to costs and income given by accounting for the needs of short and long-term decisions. In the collective work edited by Professor E. Nowak *Methods of Costs Research* (1994), he points out the possibility of using statistical methods in multi-sectional analysis and costs estimation. The possibility of applying taxonomic methods in a comparative analysis of costs structure was presented by Professor E. Nowak in the book *Costs Analysis in Financial Management* (1995).

Both research trends find at present mutual connections, the expression of which is participation and organizing of scientific conferences and seminars and joint publishing undertakings like, *Lexicon of Accounting* (1996, ed. E. Nowak), *Rudiments of Controlling* (1996).

The fourth phase in the development of the Wrocław school of accounting (since 1989) is a result of changes in the system principles of the Polish economy which in turn resulted in the fact that accounting as a branch of applied science has been elevated to the priority subjects taught in economic higher education. It is reflected not only in extending the number of classes on the subject, but also in the emergence of such research areas and didactic subjects as: managerial accounting, controlling, bank accounting, insurance accounting, capital investment accounting, inflationary accounting. Computer science ceases to be just a subject of teaching alongside or using the example of accounting and becomes a natural tool used by accounting.

## LIST OF SELECTED PUBLICATIONS

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