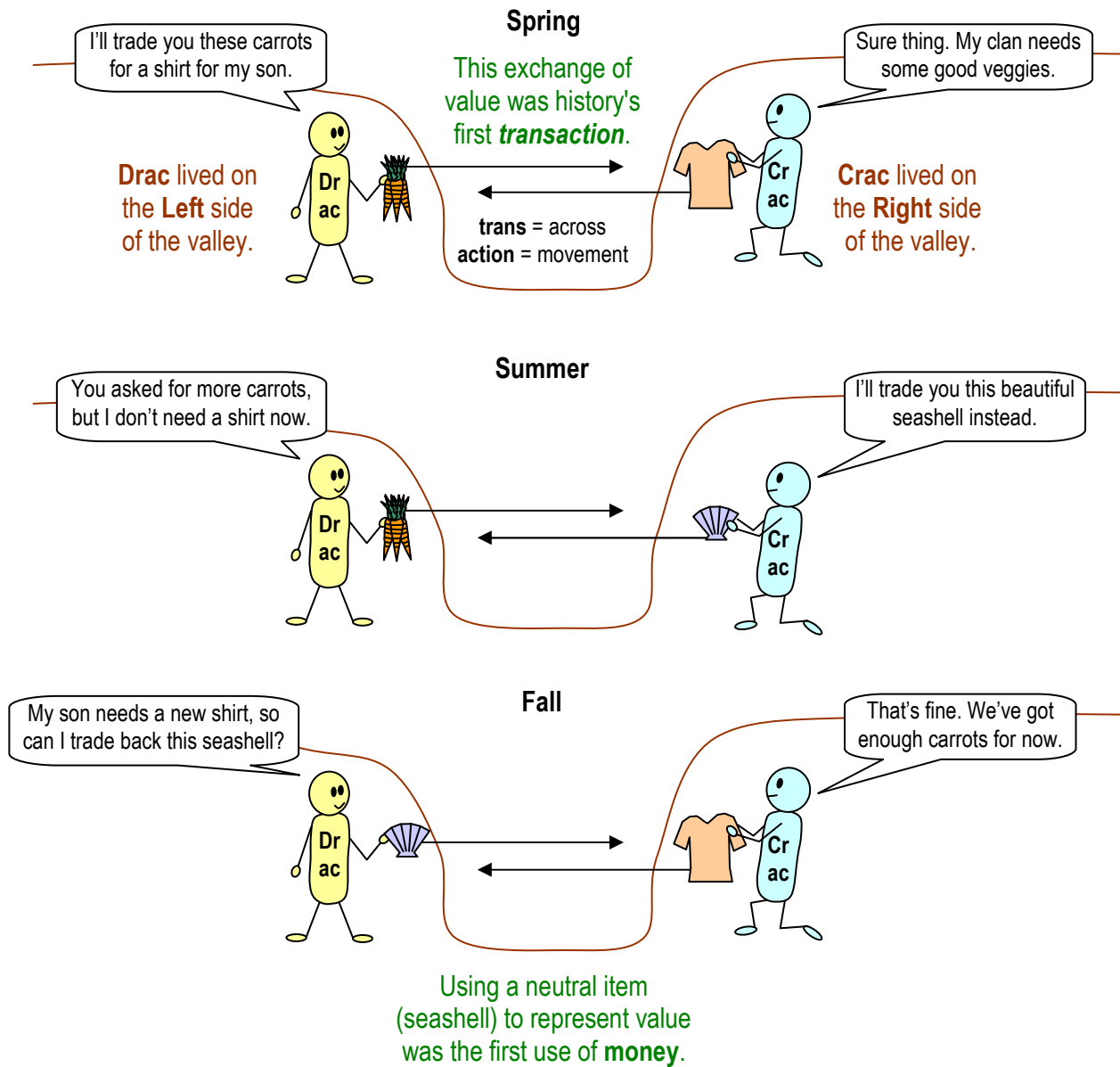
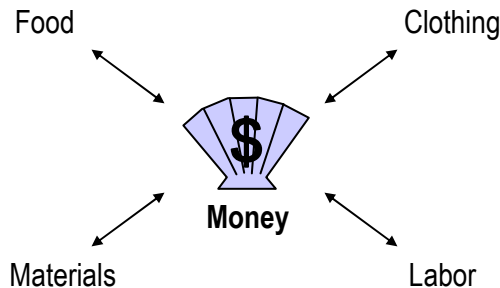


A Brief History of Accounting

Once upon a Stone-Age time lived Drac of the Digging Clan, harvesters of nutritious root vegetables, and Crac of the Clothing Clan, makers of fine flax garments.



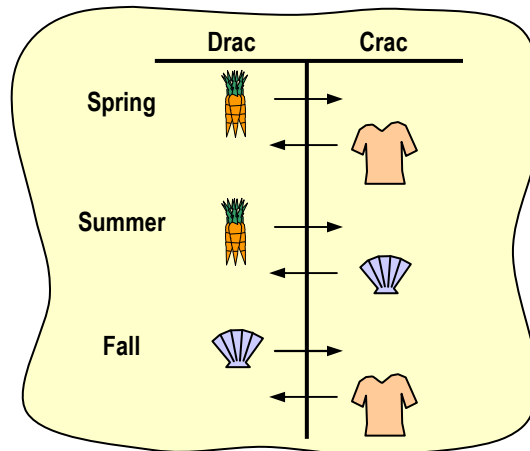
The idea caught on and soon all the clans in the region were using seashells to represent items of value. Not just food and clothing, but materials, labor, and other valuables.



Clans with special skills transformed natural materials into desirable items and *sold* them for seashell money, which they then used to *buy* what they needed from other clans.

Journal: Diary of Exchanges

As time went on, Drac & Crac decided they needed to journal "a counting" of their transactions, so they painted a large T on a cave wall.

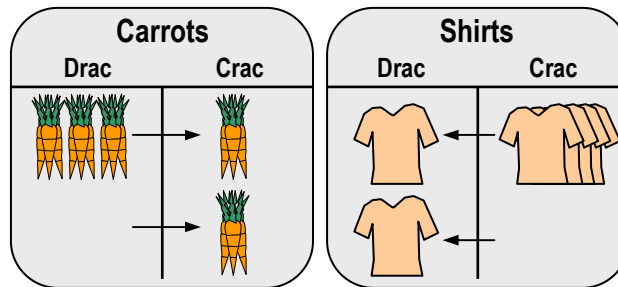


For each exchange, Drac painted his items on the left and Crac painted his items on the right, with arrows showing the direction of exchange.

By **journaling** each transaction, Drac & Crac gave birth to **accounting**.

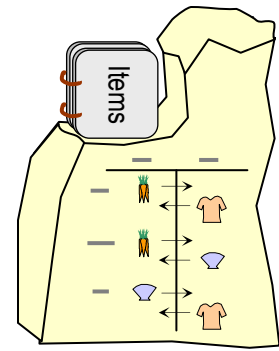
Ledger: Book of Items

To track how much they had of each, Drac & Crac kept "a count" of "a set" of each item on individual stone pages.



Drac had 3 bunches of carrots. After trading 2 to Crac, he had one left.

Crac started with 4 shirts. After trading 2 to Drac, he had two shirts left.



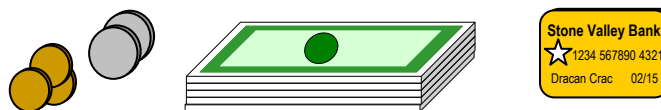
For safekeeping, they assembled the pages into a *book* stored on a *ledge* in the cave.

Drac & Crac created an **account** (category) for each **asset** (item of value) in a **Ledger** (book).

Over the centuries, elaborate rules developed for recording transactions.

In honor of Drac & Crac, we refer to this set of rules as

Debit & CRedit ACcounting



Of course, nowadays instead of seashells for money, we use metal coins, paper bills, and plastic cards to make transactions.

In case there's any doubt, the preceding history is fictional!!