

HISTORICAL EVALUATION ON ISLAMIC ACCOUNTANCY

Ahmad Abdulkadir Ibrahim

MCL, PhD in Islamic Banking & Security

Ahmad Ibrahim Kulliyah of Laws

International Islamic University Malaysia (IIUM).

Email: aaibrahim1@gmail.com

ABSTRACT

The Islamic civilization is based on the justice achievement in the accounting among this nation. Considering that the accounting is an industry which is based on things that are common in terms of thought and action. Hence some they consider the accountants as competent, equitable and rightful especially when it comes to dispute. This research aims at alerting the practitioners of accounting in the Islamic world to be aware of the concept of accounting in Islamic jurisprudence, its historical development, and rooting of Islamic accounting. It also aims to discuss an analytical approach of the Islamic accounting methodology as well as clarifying the jurisprudence of financial transactions. There is a need to determine the jurisprudence of the accounting system, the elements of the accounting system and subsequently to draw the flexible Islamic accounting standards. The methodology adopted in this research is the qualitative method through the consultation of relevant literature, which focus on the thematic study of the subject matter. This is followed with analysis and discussion on the contents of the materials used. It is concluded that Islamic accounting is unique in its norms as it has been characterized by fairness and tranquility. It was also qualified by capacity and flexibility in terms of the tools and terminology used and invented by Islamic jurisprudence in the accounting system, which is indicated its validity and consistency anytime and anywhere. It concludes further that Islamic civilization has pursued its approach to accounting based on the needs imposed by public policy and economic political system of Islamic law. An important conclusion of the research also lies in the refutation of the popular idea which says that an Italian writer known as Luca Patcilio was the first writer who developed the basis of double-entry due to the presented proofs by Muslim scholars of critical accounting developments which cannot be ignored. The Islamic jurisprudence draw the accounting system codified in the foundations of a market which is far from fraud, cheating and unfair competition in all areas decisively.

Keywords: Accounting; Islamic accounting; Historical development; Islamic jurisprudence; Double entry; Islamic accounting Features.

Introduction

Theory of Islamic Accounting:

Praise be to Allah, who set up the scales of justice to the people that mankind may keep up justice: (We shall set up scales of justice for the Day of Judgment, so that not a soul will be dealt with unjustly in the least, and if there be (no more than) the weight of a mustard seed, We will bring it (to account): and enough are We to take account) [Al Anbiyaa 21:47], peace and salutation be upon His prophet and messenger Muhammad, his family, his companions and those who followed them to the day of reckoning.

Accounting is a sophisticated social science like other social sciences, they are subject to change depending on economic conditions. Despite the effectiveness of this change is to increase the ability of accounting information in order to achieve great prestige for serving the community, which characterized accounting among other sciences. Islamic accounting is characterized by continuity for being aware of fundamental issues pertaining to accounting since the earlier period of Islam as proved by concerted and reliable texts. As well as exploration of the component analysis of theoretical framework, addressing their problems and how to solve them.

The Islamic legacy prioritized accounting due to its significant benefits, particularly in the jurisprudence of transactions, business activities, the jurisprudence of Zakat, the jurisprudence of the money exchange, jurisprudence of the endowment and so on. Islam in all these laid the foundations and principles of Islamic accounting in order to maintain the integrity of the capital, and addressing personal moral accounting. Therefore, it is misconception that "Luca Patcilio" (Italian mathematician) was the first to lay the foundations of accounting in the year 1494 AC - 913 AH, and used widely in the year 1869 AC - 1288 AH. As such the paper aims as addressing some critical analysis concerning refutation of this statement in the section of historical development of Islamic accounting.

The Quran and Hadith are clear evidence adequately of preceding the Islamic accounting and its derivatives statement. For instance, the accounting record and the independence of the account were mentioned in the Qur'an. Furthermore, the accounting as set out in the Qur'an in the sense of counting and statistics, then the penalty and punishment. It was also the sense of the account and the process of learning that, the sense of documentation and certification and so on. In contrast, the word accounting

and its derivatives contained in the Sunnah with the different meanings such as: the word "Haasaba" as contained in hadeeth of Ibn Al-letbiyyah denotes the prophetic method of differentiating between public and private money, as also stated in the hadith of Aisha (R.A) what implies the accuracy and the severity of the reckoning, and other meanings which contained in many hadiths.

This paper contains six sections and conclusion as follows:

Section I: Accounting concept in Islamic jurisprudence

Section II: Historical development of Islamic Accounting

Section III: Rooting of Islamic Accounting

Section IV: Methodology of Islamic Accounting

Section V: Clarifying the accounting concepts in Islamic jurisprudence (the jurisprudence of financial transactions)

Section VI: The characteristics and standards of Islamic accounting

Conclusion: The most important findings of the research

Research Methodology

The approach taken in this research is to clarify the accounting concepts, historical evolution of it, the rooting of Islamic Accounting and studying the jurisprudence of the accounting system. Additionally to study and analyze the Islamic accounting curriculum, the hint of the elements of accounting system and sketch what requires that, as we shall critique and analyse the misconceptions regarding the historical development of accounting. In the meantime we will try to provide a scientific image of the theory of accounting from the Islamic perspective in a contemporary style, and subsequently to draw the flexible Islamic accounting standards.

The objectives of Islamic accounting:

Ghali, d. Ashraf. (2011). There are several objectives for Islamic Accounting which are summarized in the following points:

1. Maintaining the funds, preserving the gains and the regulation of financial transactions.
2. Availability of written arguments in the case of disputes before the courts.
3. Helping in making different decisions, because the decisions are based on what is recorded in the books.
4. Identifying the business as a result of the imposition of zakat at the end of the year, because it determines the net working capital and net profit or loss.
5. Helping in identifying and measuring the rights of the partners in financial transaction and profits in the case of accession and separation.

Section I: Accounting concept in Islamic jurisprudence

Before getting in a statement of meaning of accounting concept in Islamic jurisprudence, we should know the definition of accounting term in general, then its definition in Islamic jurisprudence, as in the following manner:

First, the definition of accounting literally:

Mustafa Ibrahim, Ahmed Zayat, Hamed Abdel-Qader, and Mohammed al-Najjar. (1965). The word accounting "Almuhaasaba" is originated from the Arabic word "Haasabahu, Muhaasabatan, Hisaab", which means: "he talked over with him about the account and rewarded him". In other word, "Hesaab" means: "count and a lot of adequate". In the Holy Qur'an: (Recompense from thy Lord, a gift, (amply) sufficient) [An-Naba' 78:36]. Omar Abdullah Zaid (1416 AH / 1995 AC). However the Arabic word "Haasaba" which offsets Accounting or Accountancy in English, it means the process of evidence in the books, the numbers, the words of transactions and decisions that are made. While the word accountable "Yuhaasibu" means current or future accountability, or both, and this is what is understood for both senses from this verse: (Then he who is given his Record in his right hand, Soon will his account be taken by an easy reckoning) [Al-Inshiqaq 84:7-8].

Second, the definition of accounting idiomatically:

Omar Abdullah Zaid (1416 AH / 1995 AC). Perhaps the most comprehensive definitions of accounting is the definition of Dr. Omar Abdullah Zaid a prominent contemporary scholar especially in accounting, he defined accounting as: "a systematic process relating to the records of transactions, actions, legal decisions and its limitations in the approved records. Likewise, measuring the financial consequences of such transactions, as well as the actions and decisions, to help in rationalizing decisions".

Definition of Islamic accounting:

Islamic accounting is defined as "the rules and principles used in the collection, compilation, analysis and recording of financial transactions in order to measure the results of economic projects work and the preparation of financial statements as well as presenting it in accordance with the Islamic law "Sharia".

Section II: Historical Development of Islamic Accounting

Islamic accounting has evolved and gone through several stages since the first generation to our time, hence in this regard we will address some of the important things that show the evolution of Islamic Accounting with refute of Western theories. One of these things is: the evolution of accounting science in Islam, and how to prove the parties of transaction (double entry).

First: The development of accounting science in Islam

Accounting science in Islam had witnessed radical developments since the era of the Prophet (S.A.W) to our time, including developments of accounting transactions and monetary system. Here are some of these stages as follows:

1. Writing stage: there are some verses of the Holy Qur'an signify the importance of writing in financial transactions and in all the information, Allah says which means: "O you who believe! When you contract a debt for a fixed period, write it down. Let a scribe write it down in justice between you. Let not the scribe refuse to write as Allah has taught him, so let him write. Let him (the debtor) who incurs the liability dictate, and he must fear Allah, his Lord, and diminish not anything of what he owes. But if the debtor is of poor understanding, or weak, or is unable himself to dictate, then let his guardian dictate in justice. And get two witnesses out of your own men. And if there are not two men (available), then a man and two women, such as you agree for witnesses, so that if one of them (two women) errs, the other can remind her. And the witnesses should not refuse when they are called on (for evidence). You should not become weary to write it (your contract), whether it be small or big, for its fixed term, that is more just with Allah; more solid as evidence, and more convenient to prevent doubts among yourselves, save when it is a present trade which you carry out on the spot among yourselves, then there is no sin on you if you do not write it down. But take witnesses whenever you make a commercial contract. Let neither scribe nor witness suffer any harm, but if you do (such harm), it would be wickedness in you. So be afraid of Allah; and Allah teaches you. And Allah is the All-Knower of each and everything"]Al-Baqarah 2:282[.
2. Also Allah says which means: "Read your book. You yourself are sufficient as a reckoner against you this Day"]Al-Israa 17:14[. As Allah says: "And We shall set up balances of justice on the Day of Resurrection, then none will be dealt with unjustly in anything. And if there be the weight of a mustard seed, We will bring it. And Sufficient are We as Reckoners"]Al-Anbiyaa 21:47[.

The main purpose of writing is to achieve the following objectives:

- a. Achieving justice in rights and obligations.
- b. Preserving information with confidence.
- c. Preserving rights with confidence in transactions, especially future transactions.

2. Account stage (i.e. money account): Dr. Hussein Mohamed Samhan and Dr. Omar Moussa Mubarak. The evolution of the Islamic state and the transactions are of the most important factors in the process of calculating the funds in an orderly manner on this gradient:

- Calculating the money in the era of the Prophet (S.A.W), where the Prophet peace be upon him, used to appoint some men to collect alms and zakat. He also commended for financial records, checking on the collection and disbursement of these funds.
- Calculating the money in the era of the Caliphs: The Caliphs Allah bless them continued in the collection of Zakat and alms after the Prophet (S.A.W), hence the importance of the appointment of financial record increased in their time due to the capacity of conquests and booty.
- Account money at the height of the Islamic State: The operations of records and division of accounts have evolved, as well as flourished organization of accounts, and a variety of records used in the records of wealth in the Islamic treasury. At this stage, the need arises to accounting science in Islam, and this requires being all in favor of proper accounting process, the document, and the creation of an effective control system to control the money... and the necessity of the audit are accurate and balanced.
- Calculating the money in the modern era: in the modern era it is quite different from its predecessors, since it is no longer of interest to take the Islamic regime of cushions in the application of Islamic law on accounting system entirely, except the bare minimum of economic institutions that are committed to the Islamic law, in such a way that led to the development of Islamic accounting which is in concomitance with the nature of contemporary transactions.

Second, the way of proving parties of transaction (double entry)

Omar Abdullah Zaid (1416 AH / 1995 AC). Given the history of accounting with regards to non-Muslims, the scholars more are focusing on two periods: the first is the period prior to the establishment of an Islamic state, and the second is the period that begins with the end of the fifteenth century, which is considered as the emergence of the book of "Loca Patcilio", who devoted a chapter on accounting. They thus neglected the period since the dawn of Islam until the year 1494, the year in which "Loca Patcilio" published his book. Perhaps the reason for this neglect is due to their ignorance of Islam and its requirements on the one hand, and the Arabic language on the other hand.

Omar Abdullah Zaid (1416 AH / 1995 AC). As far the non-Muslims Patcilio was the first Italian writer who spoke about the double-entry and made it as a system or method of accounting limitation. Perhaps it is intended to distinguish between accounting as a whole and the way to prove Double Entry parties to the transaction as a means of accounting limitation. Where he pointed out that the accounting originated in the Italian republics as a result of the business there, which was developed at that time. Dr. Omar Abdullah Zaid proposed naming this method as: "proving parties of transaction method" instead of "double-entry" where it means the proof of indebtedness and creditor for one of the parties to the transaction, and that is what the double-entry also mean.

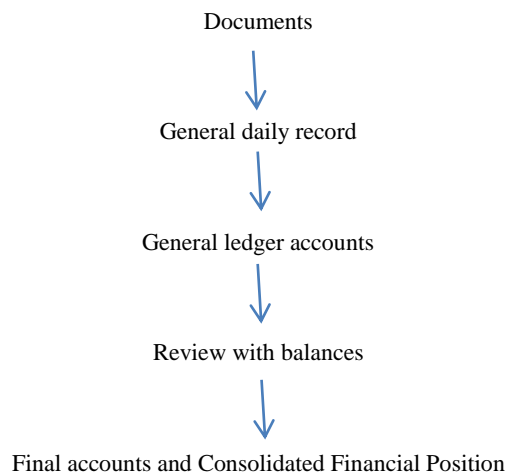
Here clarification concerning the Italian way of proving parties of transaction (double entry):

Italian way (Almu7asbah.blogspot.com). (2013). This method is used in small-scale projects, and the so-called traditional way, or the normal way, that is because of their age, the ease and the low number of used books, where two basic books are required

according to this method, as far as the theory of double-entry is concern. Hence they are two books: General daily record and ustaz's book... At the end of the accounting period the accounts will be contained in this book.

Here is the summary of accounting stages work in the Italian way as follows:

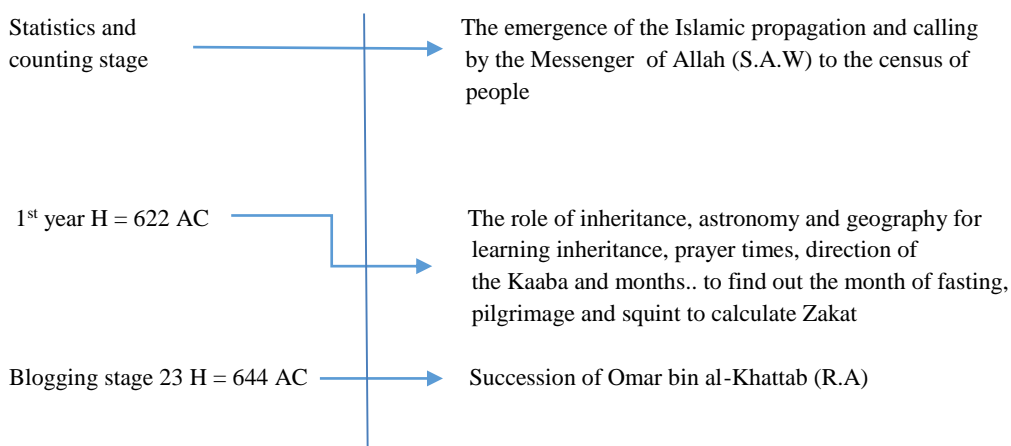
- 1) Analysis of the documents to the parties of transaction; indebtedness and creditor according to the theory of double entry, and then proving it through general daily book (daily record), according to the historical sequence.
- 2) Transferring the parties of transactions from general daily record to the special accounts to identify accounts points.
- 3) Extraction of aggregates trial balances and balances of the general ledger.
- 4) Preparation of final accounts and lists of the financial position of the trial balance.

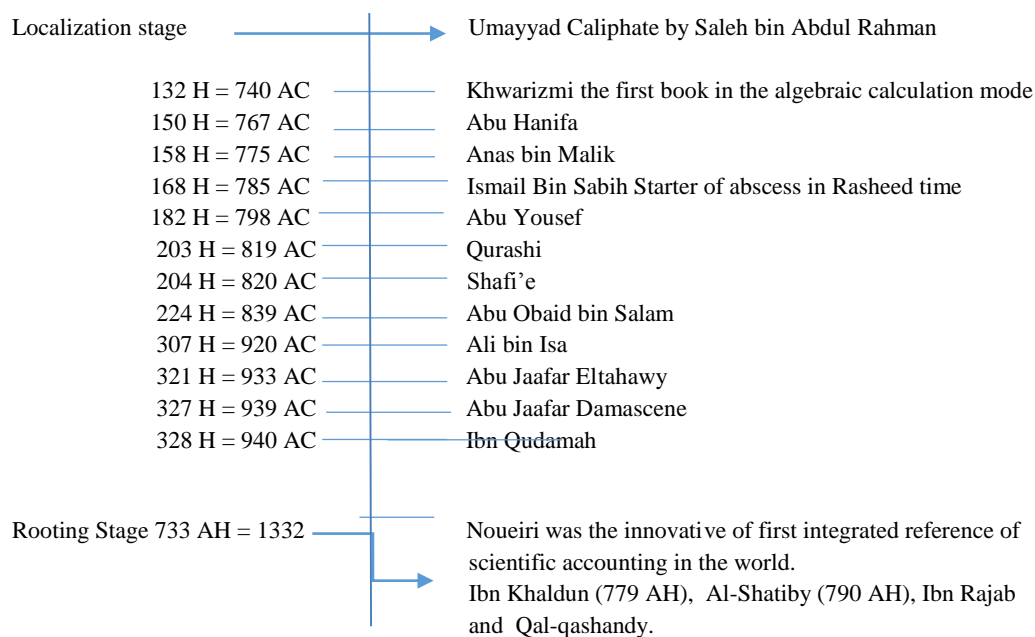


Omar Abdullah Zaid (1416 AH / 1995 AC). It does not rule out that the Loca Patcilio's book was the first printed book appeared in Europe to include a chapter in accounting, but that does not mean that it was the first book written in Europe or in the world. As some Western research suggests the existence of a continental manuscript book written before Patcilio... Some of them said: "The first of the books in accounting or a way of proving the transaction is an Italian writer "Cotrugli", that is because his book was oldest than Patcilio's one. Some researchers argued that the first writer in the accounting treatment or way to prove it was: Angelo Senesio in 1348 AC.

However, one of the fact that refutes Westerners' claim that the first book was authored for a way of proving parties of transaction (double entry) was a Loca Patcilio's book; the existance of a manuscript book dates back to the year 765 AH / 1363 AC approximately, the book was written by the Muslim author Abdullah bin Mohammed bin Kaayah Almazindrani entitled: "The first of the books in accounting (Kitab Al-siyaaqat)". The Author may Allah have mercy on him used Arabic characters in this book, as he used Farsi sometimes, he was also used some Turkish words that were prevalent under the Ottoman Empire. The book was compiled about 131 years back to the existence of Patcilio's book. Undoubtedly, this fact invalidates that belief. In short, what Loca Patcilio had brought was preceded by a basic accounting developments of Muslim Scholars that cannot be ignored.

Here the explanatory table of accounting in Islamic jurisprudence:
Quntuquji, Dr. Samer Muzhir (1425 AH / 2004 AC).





It is evidence of accounting evolution under the Islamic state; the basic requirement that requires the necessity of keeping the books and related documents in a systematic manner, as it requires the indexed books and documents in an easy manner to be referred when needed after recording ends in the books and files. This is evidenced by the reaction of Caliph Omar ibn al-Khattab may Allah be pleased with him, where he laid down the bureaucracy and documentation system in a systematic way, and it was followed by successive generations after generation till our time.

Section III: Rooting of Islamic Accounting:

Islamic civilization has played a positive role and made a significant contribution in various fields of science development to include all aspects of life, such as ruling system, the judiciary, Caliphate, public administration, police, mailing system, military aspects...etc. Furthermore, Muslim Scholars initiated themes in the science of Islamic jurisprudence, science, mathematics, science of Arabic language, social and natural astronomy, translation, Medicine and Pharmacy. Likewise, the architecture, decoration industry and greater share of this development.

Hence, in this section we will address the rooting of Islamic accounting in the Qur'an and the Sunnah as well as in the Islamic jurisprudence, they are as follows:

First: Accounting in the Holy Qur'an:

The word "Muhasaba" (Accounting) and its derivatives are mentioned in the Qur'an more than ninety times. For instance, in one verses it means "Muhasib" an accountant. Allah says which means: "We will set up the scales of justice for the Day of Resurrection, so that no soul will suffer the least injustice. And even if it be the weight of a mustard-seed, We will bring it up. Sufficient are We as Reckoners"]Al-Anbiyaa 21:47[. as in the verse: "Allah suffices as a Reckoner"]An-Nisa' 4:6[. And Allah says which means: "God keeps count of everything"]An-Nisa' 4:86[. It also came in the sense of independence of the account, as in the verse: "That was a community that has passed; for them is what they have earned, and for you is what you have earned; and you will not be questioned about what they used to do"]Al-Baqarah 2:134[. And He says: "Read your book; today there will be none but yourself to call you to account"]Al-Isra' 17:14 [.. As the Almighty clarified the concept of harmony in self account, He said: "God does not burden any soul beyond its capacity, to its credit is what it earns, and against it is what it commits".]Al-Baqarah 2:286 [. The word "Muhasaba" (accounting) also means counting and statistics, then the penalty and punishment, Allah says which means: "So We held it strictly accountable, and We punished it with a dreadful punishment"]At-talaq 65:8 [.

As the word "Muhasaba" is mentioned in the sense of account and learning it, Allah says which means: "We have made the night and the day two wonders. We erased the wonder of the night, and made the wonder of the day revealing, that you may seek bounty from your Lord, and know the number of years, and the calculation. We have explained all things in detail"]Al-Isra' 17:12 [. in chapter Yunus: "It is He who made the sun radiant, and the moon a light, and determined phases for it-that you may know the number of years and the calculation. God did not create all this except with truth. He details the revelations for a people who know"]Yunus 10:5 [. It also came to mean "Documentation and certification" in the verse: "Allah suffices as a Reckoner".]An-Nisa' 4:6 [.

The longest verse in the Qur'an (the verse of debt) showed the basic principles of accounting "O you who believe! When you contract a debt for a fixed period, write it down. Let a scribe write it down in justice between you. Let not the scribe refuse to

write as Allah has taught him, so let him write. Let him (the debtor) who incurs the liability dictate, and he must fear Allah, his Lord, and diminish not anything of what he owes ...” to the end of verse [Al-Baqarah 2:28]

Where Allah (S.W.T) educated us fair writing mechanism by saying: “...Let not the scribe refuse to write as Allah has taught him...” then He emphasized that by saying “...So be afraid of Allah; and Allah teaches you...” [Al-Baqarah 2:282].

Second: Accounting in the Sunah

The word “Muhasaba” and its derivatives were mentioned in the Sunnah so many times with different meanings, among them the following:

a) Narrated Ibn Abu Mulaika:

Whenever `Aisha (the wife of the Prophet) heard anything which she did not understand, she used to ask again till she understood it completely. Aisha said: "Once the Prophet (S.A.W) said, "Whoever will be called to account (about his deeds on the Day of Resurrection) will surely be punished." I said, "Doesn't Allah say: "He surely will receive an easy reckoning." (84.8) The Prophet (S.A.W) replied, "This means only the presentation of the accounts but whoever will be argued about his account, will certainly be ruined" .

b) Narrated Abu Humaid Al-Sa`idi:

Allah's Messenger (S.A.W) appointed a man called Ibn Al-Lutbiya, from the tribe of Al-Asad to collect Zakat from Bani Sulaim. When he returned, (after collecting the Zakat) the Prophet (S.A.W) checked the account with him” .

c) The Messenger of Allah (S.A.W) explained the good ending of the creditor who gives his debtors respite without shoving them: Narrated Abu Mas'ud Al-Badri (May Allah be pleased with him) reported: The Messenger of Allah (S.A.W) said, "A person from amongst the people who lived before you was called to account by Allah on the Day of Resurrection. No good deeds were found in his credit except that he being a rich man had (financial) dealings with people and had commanded his servants to show leniency to those who were in straitened circumstances. Upon this Allah the Exalted and Majestic said: "I am more entitled to this attribute, so waive (his faults)” .

d) Shaddad bin Aws narrated that the Prophet (S.A.W) said: "The clever person is the one who subjugates his soul, and works for what is after death, and the incapable is the one who follows his desires and merely hopes in Allah” .

Third: Accounting in Islamic jurisprudence

Al-Ghazali, Abu Hamid. (1993). The Islamic Scholars understood the role of economic accounting in social life. For instance, Imam Ghazali explained the need of account in transactions, thus he defined the accounting as "a matter of capital, profit and loss to prove the increase of decrease”.

The evolution of accounting stages in Islamic jurisprudence can be determined as follows:

• **Census and counting stage:** The Messenger of Allah S.A.W said: «Write for me everyone who uttered the word of Islam (Laa ilaa ha illAllah), thus we wrote for him one thousand and five hundred men» .

• **Blogging stage:** (the wealth). Noueiri, Ahmad bin Abdul Wahab (no date). Thus people were counted on the basis of kinship to the Messenger of Allah S.A.W, and the tender was on the basis of precedence in Islam. Abu Huraira, may Allah be pleased with him brought money from Bahrain, Omar Al-Farouk R.A said to him: What did you bring? He said: five hundred thousand dirhams, Omar surprised and said: Do you know what you say? He said yes, one hundred thousand five times, Omar said: is it halal? He said I do not know, then Omar R.A mounted the pulpit, he glorified Allah and praised Him and then said: O people, we have received a lot of money, if you like to use measurement we scale that for you, and if you like counting we would count. Hence, a man said, 'O Amirul Mu'mineen I saw the Persians write down in Deewan (Record book) please use Deewan as well” .

• **Arabization/Arabizing of divans stage** at the time of Caliph Abdul Malik bin Marwan by Saleh bin Abdul Rahman the secretary or writer of Hajjaaj in Iraq, and also was done by Suleiman bin Sa'ad in Syria. Hence, the writer of Marwan Abdul Hamid bin Yahya was saying: "May Allah favor Salih, he had the greatest virtue upon the writers”.

• **Rooting stage** for learning the process of account writing by Noueiri, that was aimed to provide scientific evidence and practical reference, and that by saying: some of my brothers asked me to write a summary book on that. However, Qalqashandy mentioned in number the types of accountants and their grades, and then clarified their importance in determining the rights and profit (the result of the acquisition) at each period time, subsequently he confirmed that the accounting is a pillar of transactions, and its results are subject to interpretation and debate...”

Section IV: Methodology of Islamic Accounting

The Islamic civilization has pursued its approach to accounting based on the needs imposed by the policy of economics and political system of Islamic law. The accounting methodology according to the Islamic perspective commits with a constant legitimacy, and benefits from other sciences, in which it does not inconsistent with these constants, using mental or experimental approaches, or both.

Accounting methodology in Islam:

Experts of Islamic Accounting scientists have laid the dimensions and patterns of scientific, economic, and behavioral approaches, to prove the accounting flexibility, and these approaches include:

- A) Knowledge: through the use of sensory or experimental approach. The sense questioning the capabilities of the senses, but the methodological approach relies on sensory experience, in fact that cannot be achieved without knowledge, Allah the Almighty said: "And within yourselves. Do you not see" [Az-Zariyaat 51:21].
- B) Moral behaviours trend: The pattern of human behavior for a Muslim is governed by the behavior of Islamic moral values which are based on responsibility before Allah, hence it needs to be considered human values associated with good behaviors, such as conviction and honesty, loyalty, justice and so on.
- c) Inductive and historical basis: Noueiri, Ahmad bin Abdul Wahab (no date). This approach aims to address the theoretical and practical approach concerning accounting thought in the Islamic history, and that was shown and confirmed by Noueiri in describing the prevailing accounting rules in his time, where he says: "These are the rules that settled in our time".
- D) Positive aspect of the methodology: This approach lies in the development of accounting theory for explaining the reason why the financial transactions at the present time are different to the early generations in terms of accounting and procedure, and how could it be harmonised with Shariah?.

Accounting in Islamic financial transactions:

The areas of accounting in Islamic financial transactions are breadth and complexity, which their implication imply the process of finding a new method of accounting for merchandise evaluation in the case of falling or raising the prices.

Section VI: The characteristics and standards of Islamic accounting

The Islamic accounting is characterized by the specificities, such as justice and tranquility. As characterized by capacitive, flexibility and continuity, where the tools and terminologies devised and used by Islamic jurisprudence in the accounting system, which demonstrated the validity and adaptability of accountancy at anytime and anywhere. The following are some of the characteristics and standards of Islamic accounting.

First: Specification of Islamic Accounting:

1. The accounting thought in Islam derives its rules from the Qur'an, the Sunnah and Islamic thought.
2. Accounting in Islam is based on the basic belief and the firm belief that the money belongs to Allah and must be disposed as prescribed by Allah.
3. Accounting in Islamic approach holds the accounting operations through the accountant who is characterized by honesty, impartiality, fairness and efficiency.
4. Accounting in the Islam relates to legitimate financial operations.
5. The accountant in the Islamic view is responsible to the community about the extent of the economic unit's compliance with Islamic law.
6. Accounting in the Islam focuses on behavioral aspects of the human element.

Second: Islamic Accounting Standards

Al-Qubbani, Thanaa bin Ali, (no date). Islamic Accounting has several criteria, such as:

- a) Absolutism
- b) Historical cost (replacement cost at the date of purchase)
- c) Historical date
- d) Consistency.

Conclusion

By this urgent hint of historical evaluation on Islamic accounting we come to the end of the paper. Thus, we shall draw the important findings as followed:

1. Accounting is a systematic process relating to the records of transactions, actions, legal decisions and its limitations in the approved records, and measure the financial consequences of these things to help in rationalizing decision.
2. Accountancy has witnessed drastic developments in Islam since the time of the Prophet (S.A.W) to our time, thus it was characterized by capacitive, flexibility and continuity, where the tools and terminologies devised and used by Islamic jurisprudence in the accounting system, which demonstrated the validity and adaptability of accountancy at anytime and anywhere.

3. The Islamic civilization has pursued its approach to accounting based on the needs imposed by the policy of economics and political system of Islamic law.
4. It is misconception to say that Luca Patcilio an Italian was the first writer on the double-entry basis in the year (899 AH / 1494 AC), due to the presented proofs by Muslim scholars of critical accounting developments which cannot be ignored. It could be argued that his book was the first printed book appeared in Europe to include a chapter in accounting, but this does not mean that it was the first book written in Europe or in the world.
5. Islamic civilization has played a positive role in various fields of science development to include all aspects of life, such as a rule and judiciary system, the Caliphate, public administration and the ministry. Furthermore, Muslim Scholars initiated sciences and principles in knowledge, such as Islamic jurisprudence, Arabic sciences, mathematics, social sciences, astronomy, medicine, pharmacy and other sciences.
6. The Islamic jurisprudence draw the accounting system codified in the foundations of a market which is far from fraud, cheating and unfair competition in all areas.

References

- Abu Abdullah, Malik bin Anas bin Malik (1425 AH / 2004 AC). Al-Muwatta, Tahqeeq: Muhammad Mustafa A-a'zami, Zayed bin Sultan Aal Nahyan Foundation, first edition.
- Abu Bakr, Muhammad bin Hassan bin Duraid (1987). Jamharatu al-Lugha, Tahqeeq: Ramzi Mounir Baalbakki, Dar al-ilm LilMalaayeen Press, first edition.
- Ibrahim Mustafa, Ahmad Zayat, Hamed Abdel-Qader and Mohammad al-Najjar (1965). Mu'jamul Wasit, printed and commentary: Arabic Language Academy in Cairo, second edition.
- Ibn Majah, Abu Abdullah Muhammad ibn Yazid al-Qazwini (no date). Sunan Ibn Majah, with the commentary of Albani, Maktabat Al-Ma'arif, Riyadh first edition.
- Albani, Mohammad bin Nasser al-Din bin al-Hajj Noah Al-albani (1412 AH / 1992 AC). Silsilatu al-Ahadeethu adh-dha'eefa wal maudhu'a, Maktabat Al-Ma'arif, Riyadh first edition.
- Albani, Mohammad bin Nasser al-Din (no date). Sahih wa ad-dha'eef Sunan Abi Daud, properly and weak Sunan Abi Dawood, Maktabat Al-Ma'arif, Riyadh first edition.
- Al-Bukhari, Abu Abdullah Muhammad bin Ismail (1424 AH / 2003 AC). Sahih al-Bukhari, adjust the text: Mahmoud Mohamad Mahmoud, Dar Kutub al-Ilmiyyah, Beirut second edition.
- Al-Bouti, Mohammad Saeed (no date). Hazhihi Mushkilaatuhum, Dar al-Fikr Press in Damascus.
- At-Tirmidhi, Abu Isa bin Mohammad bin Isa (no date) Al-; Sunan al-Tirmidhi, taken care of it by: Abu Ubaidah Mash'hur bin Hassan Aal Salman, Maktabat Al-Ma'arif, Riyadh first edition.
- Al-Qubbani, Thanaa bin Ali, (no date). Ba'dhu khasaisi Tatawwuril Fikr al-Muhasabi, Matabi'u al-Ittihad al-dauli Lil bunuk al-Islamiyyah.
- Al-Jalaf, Ahmad Mohamad Mohamad (1417 AH / 1996 AC). Al-Manhajul Muhasabi Li amaliyyat al Murabaha fil masarifil Islamiyyah, accounting approach to the process of Murabaha in Islamic banks, published by the International Institute for Islamic thought.
- Hussein Mohammad Samhan & Musa Omar Mubarak 1429 AH - 2009 AC). Muhasabatul Masarifil Islamiyyah Fee dhau'l Ma'ayir al-Sadirah, Dar al-Masirah, first edition.
- Omar Abdullah Zaid (1993). Al-Muhasaba al-Maliyyah feel Mujtama' Al-Islami, Dar Yazouri, Amman, first edition.
- Al-Ghazali, Abu Hamid Muhammad ibn Muhammad (1993). Al-Qistasil Mustaqeem, Tahqeeq: Mahmoud Bejo, Al-matba'at al-ilmiyyah, Damascus.
- Fouad Tawfiq & Ahmad Darwish (1996). Al-Muhasaba al-Masrafiyyah fil Bunk al-tijariyyah wa al islamiyyah, Banking in commercial and Islamic banks, Dar Yazouri al-ilmiyyah, Amman.
- Al-Quntuquji, Samer Muzhir (1425 AH / 2004 AC). Jurisprudence of Islamic Accounting, Mu'assasat Al-risalah, first Edition.
- Qar'dawi, Yusuf, good governance, Journal of Islamic Economics, publications of Islamic Bank Dubai.
- Financial Accounting Standards Board (1415 / 1994). Ahdaf al-Muhasaba al-Maliyyah, the objectives of financial accounting concepts.
- Mohamad Abdul Halim Omar (no date). Ma'ayeer al-Muhabiyah fil masarif al islamiyyah, Saleh Kamel Islamic Economics Press at the University of Azhar, Nasr City.

Mohammad Kamal Atia (1984). *Muhasabat al-sharikat wal Masarif fil-Nizham al-Islami*, Alexandria, Darul Jami'at al-Masriyyah, first edition.
Noueiri, Shihabuddin Ahmad bin Abdul Wahab (no date). *Nihayatul Arib Fee Funun al-adab*. Al-Naisaburi, Abu al-Hussein, Muslim bin Hajjaj ibn Muslim (1412/1991). *Sahih Muslim*, Dar al-Hadith, Cairo, first edition.

Sources in English:

Bala Shanmugam, Vigneser perumal and Alfieya Hanuum Ridzwa (Editors) (2005). *Issues in Islamic Accounting*. University Putra Malaya Press Serdan.
Hussien Shehata, *Islamic Accounting Methodology*, Prof. of Accounting Al-Azhar University.

Suraini Saufi and Noraani Mustapha (2012). *Islamic Accounting and Business Practices: A Conceptual Framework* Universiti Malaysia Kelantan (UMK).
Zeff, Stephen A. (1994). *Comments on Accounting Principles How they are Developed*. Robert R. Sterling ed, *Institutional issues in Public Accounting* (Scholars books Co).

Sources via internet:

D. Ashraf Ghaly, *Accounting from an Islamic perspective*, <http://world-acc.net/vb/showthread.php?t=4854>, Date: 30/08/2011 m, Location: Palestine, date of visit: 8 / May / 2013.
Date of accounting methods, <http://almu7asbah.blogspot.com/2012/11/Ways-constraint-accounting-books.html> 2 April / 2013.
D / Ashraf Ghaly, *Accounting from an Islamic perspective*, <http://world-acc.net/vb/showthread.php?t=4854>, Date: 08/30/2011 m, Location: Palestine, date of visit: 8 / April / 2013.