Study of Cost and Profit-and-loss Accounting Methods Used by the Consignor in Long-distance Distribution in the Edo Period

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This paper deals with the concept of the "tsukine" price listed in the accounting books and business correspondence of local consignors in the Edo period as a key to studying the cost and profit-and-loss accounting methods used for shipped goods by consignors engaging in long-distance trade.

In the accounting books of the merchants and wealthy farmers of the safflower producing district of Murayama in Dewa province and of safflower wholesalers in Kyoto are listed various prices pertaining to the product they handled: safflower. These prices include the "tsukine," "sashine," "shikirinedan," and "tedorigenkin." In order to conduct a detailed study about the actual state of buying and selling goods at the market and the significance of fluctuations in price for the people involved in the marketing, it is necessary to understand the meaning of each price and their relationship to each other. The "tsukine" refers to the cost incurred in bringing goods to a certain location. The "sashine" is the price suggested for sale by the consignor to the wholesaler and consists of a certain profit margin added to the "tsukine". The "shikirinedan" is the price at which sales from the wholesaler to the buyer, in this case the safflower-dye artisans, is set. The "tedorigenkin" is the price obtained by subtracting the "pubikikosen" (wholesaler's commission) from the "shikirinedan" and is the net income of the consignor.

The consignor kept a "tsukine-cho" (book of tsukine) on the product, i.e., safflower, and recorded the tsukine and tedorigenkin of each product, comparing and adding up the figures to determine his income. He also calculated income based on the brand and place of origin of the shipped products to determine his business strategy. Furthermore, studies revealed how the consignor anticipated changes in market prices in both the metropolis and the provinces and chose the most profitable type of shipping.

These cost and profit-and-loss accounting methods used by the consignor were applied not only to safflower trading but also to trading in salt, cotton, wax-tree, and sugar. It can be assumed therefore that these methods were widely adopted by consignors as methods for cost and profit-and-loss accounting and recording profits.