

The Impact of the Application of Fair Value Accounting on the Quality of Accounting Information. An Empirical Study on a Group of Companies Listed on the Khartoum Stock Exchange

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Abstract

Study addresses the impact of fair value accounting on the quality of accounting information. The study's main problem in the following question: What is the effect of the application of fair value accounting on the characteristics of accounting information? In order to clarify the effect of the use of fair value on the quality of accounting information. To achieve the objectives of the study were followed inductive and deductive and descriptive approach, where it was in the theoretical side; the study of literature review of relevant fair value accounting And use the inductive approach to the analysis of the problem and identify its components, while a researcher at the deductive approach adopted in the formulation of hypotheses The descriptive approach has been reliable in the field side. Researcher use statistical package for social studies in the questionnaire data analysis. The most important results that have been reached: the fair value contribute to provide useful information to users of financial statements and help them in decision-making There is a positive relationship between the application of fair value and the appropriateness of accounting information in decision-making. And also there is a positive relationship between the application of fair value and reliability of accounting information. Which means reliability of users, in addition to the fair value was able to make a fair comparison, both at the enterprise level for a number of periods or with similar enterprises for the same period.

Key words

Historical cost accounting disclosure, financial market, financial instruments, supply price, the market value

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1. Introduction

The world witnessed at the end of the second millennium manifestations important events; and interdependent represented in globalization; and the consequent dominance of the market economy and the spread of the knowledge economy; and the removal of barriers to cross-border express including goods, services and investments as well as the evolution of financial markets and interdependence. These witnessed have been required of the accounting profession; to be on the level from which you can meet the needs of globalization and the resulting developments. This resulted in economic developments; appearance of new products such as financial instruments (shares of companies, bonds, certificates of deposit and other items of the assets and liabilities of the other variety), as was the use of financial derivatives, including: Currency forwards, swaps and options rights operations. This may require expansion in the use of financial instruments; develop ways to manage financial risk in order to mitigate their effects and a rethinking of the traditional accounting concepts and measurement accounting on the basis of the cost of a number of assets, in revenue recognition, and the principle of conservatism that are essential assumptions and Postulates generally accepted accounting across periods of time.

The financial statements prepared in accordance with the historical cost basis; become confined to show the financial position and results of operations and cash flows in accordance with the economic realities, and almost lose this data importance, because the financial information is not based on objective

economic data related to financial instruments and real estate investments. The fair value accounting covers the following topics:

- Financial instruments;
- Real estate investments;
- Agricultural assets (assets and biological) crops;
- Insurance liabilities (insurance contract liabilities).

2. The problem of the study

The study's main problem in the following question:

What is the effect of the application of fair value accounting on the characteristics of accounting information?

Can be expressed in this question, as follows:

1. *Is fair value accounting contributed to provide useful information for decision-makers from both inside or outside the enterprise?*
2. *What is the effect the application of fair value accounting on the appropriateness of accounting information in the financial statements of the decision-making process?*
3. *What is the impact of the application of fair value accounting on the reliability of accounting information?*
4. *Is the application of fair value accounting affects the comparable financial information?*

3. Importance of the study

The importance of the study in the use of fair value accounting in the accounting application, and its direct and indirect impact on business results and financial position of the enterprises and continuity, and then to make investment decisions. This is in addition to the clarification of the most important problems facing the application of fair value accounting by the companies listed in the Khartoum Stock Exchange.

4. Objectives of the study

The study mainly aims to clarify the effect of the use of fair value on the quality of accounting information, and can achieve that goal by achieving the following sub-goals:

1. Shed light on the concept of fair value and the advantages and limitations applied in financial accounting;
2. Clarify the characteristics of accounting information.
3. Clarify the approach to the accounting measurement of the fair value; in the light of international accounting standards and US accounting standards.
4. Clarify the impact of the application of fair value accounting on the qualitative characteristics of accounting information and its impact on decision-making.

5. Hypotheses of the study

Researcher seeks to test the validity of the following hypothesis:

1. Fair value accounting contributes to the provision of benefit to all users of financial statements in the decision-making information.
2. There are no statistically significant differences between the responses of the respondents from the application of fair value accounting and the appropriateness of accounting information in decision-making.
3. There are no statistically significant differences between the responses of the respondents from the application of fair value accounting and reliability of accounting information.
4. There are no statistically significant differences between the responses of the respondents from the application of fair value accounting and portability of accounting information for comparison.

6. Methodology of the study

Was followed inductive and deductive and analytical descriptive approach to achieve the objectives of the research, which has been in the theoretical aspect of the study, a review of the relevant literature accounting fair value, and use the inductive approach to the analysis of the problem and identify its components, While the researcher relied on deductive approach in the formulation of hypotheses. The descriptive analytical method has been reliable in the field side. For the purposes of data collection has been designed study tool in the design of the questionnaire included the main and sub-variables that are related to the characteristics of accounting information, which necessarily affect their effectiveness in decision-making. The most of these variables in:

First, the reliability of accounting information.

Second: the appropriateness of accounting information.

Third, the ability of accounting information for comparison.

The questionnaire was designed on a Likert scale of five grades, where 1 represents the grade strongly disagree, which indicates a very weak level ... to grade 5, which represents strongly agree, which indicates a very high level. It was the use of a set of statistical methods for the purposes of analyzing the results of the questionnaire and test hypotheses; these methods consisted in:

1. To check the reliability of study tool used coefficient test (Cornbach's Alpha) as an indicator of the internal homogeneity.

2. To calculate averages and standard deviations for all variables were used (Frequency Analysis).

3. To find out, and determine the signify associated with differences, descriptive variables of the study sample was analyzed using ANOV, depending on the type of the respondents (accountants, internal auditors, administrators).

The study examined a number of listed companies, in Khartoum Stock Exchange, due to the breadth of the study sample; will be dealt with 15 companies. Working in banks and investment firms sector; and it should be noted that the number of public companies; listed in Khartoum Stock Exchange is 64 companies, including 24 companies operating in the banks and investment companies sector, and 8 companies operating in the insurance sector, and 2 company in the industry, and 11 company in the investment and development sector, and 3 companies in the agriculture sector, and 4 companies in the communications and media sector, and 5 companies in the financial brokerage sector, And 1 representing the instruments and investment funds, and that the proportion of the sample companies to replace the total number of companies is equal to 23% and were distributed to 120; the proportion of the questionnaire Retriever 87.5%, representing 105 questionnaire.

The limits of the study

Spatial and temporal Sudan - Khartoum State - Khartoum Stock Exchange, 2010 – 2015.

7. Literature review

1. (Christensen and Nikolaev, 2012) study

The title of this study (Does fair value accounting for non-financial assets pass the market test?), which deals with fair value accounting as an alternative to the historical cost, the study found a range of results, including: The fair value is applied to the non-financial assets; such as buildings and equipment, be less efficient for decision makers when compared to historical cost, and financial reporting standards provided feature not offered by other standards that preceded it, as it provided corporate field to choose between historical cost and fair value for non financial assets , with a commitment to stability and the disclosure of accounting policy used.

2. (Raini, D. et al., 2012) study

This paper through use of proxies for users and preparers of financial reports, finds the definition and understanding of 'fair value accounting', and identifies how it is measured (for shares and property investments) in Fiji. The paper also studies benefits and limitations of the concept, examines its impact n financial reporting roles, determines appropriate alternatives of this method and forecasts its prominence and endurance in Fiji. The paper concludes that users and preparers of financial reports have similar understanding of fair value accounting. Some measurement techniques identified were the use of active

markets, independent values and referrals to cost. Some benefits identified were better disclosure and information that is more relevant. Proxies also identified limitations of the method in terms of costs of valuation, training and hiring of professionals, and the application of subjective judgment. The proxies predict prominence of fair value accounting in the long run.

3. (Pranil Prasad et al., 2011) study:

In this paper we look at the applicability of fair value accounting in the finance sector of Fiji. We consider the perspectives of both the preparers and the users of fair value information from the finance sector. In looking at these perspectives, we took a sample of four banks and credit institutions and two investment companies. A questionnaire based survey was used to collect data from the preparers and users of fair value accounting information in the finance sector. Results indicate that the users perceive fair value accounting information as useful for their decision making purposes. Furthermore, fair value information is costly to be incorporated into financial reports, however, preparers do find fair value to be applicable and of relevance to them.

4. (Carmen G. Adriana T., 2011) study:

Our paper develops a literature review on fair value studies. The purpose of the study is to synthesize the main results of accounting research literature empirically approaching fair value measurement. Therefore, our analysis imposes the use of literature review methodology. After briefly introducing the concept of fair value, the first part of the paper follows the shift taking place in accounting paradigms when it comes to accounting models. The main part of the paper discusses empirical studies on fair value by closely analyzing their research design, the employed research methodology and the obtained results. The originality of the paper as well as its contribution consist in offering a comprehensive overview on studies in accounting research literature that analyze fair value accounting through an empirical approach. Discussing the relevance and reliability of such studies further impacts upon the relevance of their results and how they can be used.

5. (Ashford C. Chea, 2011) study

The author begins the paper with a brief historical development of the Statement of Financial Accounting Standards (FAS 157) and its impact on fair value accounting. This is followed by the methodology employed in the research. Next, he reviews the literature on major issues in fair value accounting and financial reporting, and presents his findings from the study. The researcher ends the paper with recommendations to enhance the usefulness of fair value accounting and draws implications for financial reporting and users of financial statements.

6. (Yoshihiro T. et al., 2013) study:

The purposes of this study are two-fold. First, we draw from the findings of prior literature reviews and theoretical studies to develop two hypotheses geared towards explicating the economic consequences of fair valuation. We respectively refer to these hypotheses as the business model hypothesis and the hardness hypothesis. Second, we test these hypotheses by reviewing previous research from the top three journals in the field. We find that the relationship between fair valuation and the usefulness of accounting information varies as a function of the business model employed by the entity under consideration. We also find that the effects of fair valuation are contingent upon differences in the hardness with which relevant assets and/or liabilities are measured. Overall, our results suggest that differences in an entity's business model and the hardness associated with fair value accounting measurement have measurable effects both on valuation and contracting usefulness of accounting information.

7.1. Definition of fair value

Fair value is defined (Barth, 1994) as the market value of securities or stock value based on the market price or the amount added to the cost, to determine the selling prices of securities, Barth believes that all of these concepts synonyms same meaning has been criticism of this definition is based on the following justifications:

1. The market value is influenced by factors of supply and demand, while fair value, determined based on an objective study of the elements affecting the value of securities.
2. The identified value on the basis of market prices, affected by rumors, while the fair value of the objective factors affected susceptibility to physical measurement.

3. The market value does not reflect the true financial position of the corporate issuers of securities relate to many factors, while reflect the fair value of the truth about the financial position of the company that issued the securities.

The fair value, has become a measure required at the present time, due to the characteristic of dynamic and volatile markets, both in the case of a sale or purchase, and that the findings of the Financial Accounting Standards Board: that fair value is the most standard related to or an appropriate financial instruments

The advantages of the application of fair value accounting:

Fair value accounting has become the best alternative to avoid the shortcomings experienced by the historical cost (Skoda and Bilka, 2012) to achieve the advantages of the data output is:

1. The fair value reflects the economic reality of the entity, which is nearest to express fair financial statements for the financial position of the business and as a result, cash flows and changes in equity.
2. If the evaluation of assets and liabilities on a fair value basis, they reflect the economic income, where market prices are taken into account.
3. The application of fair value in accordance with the concept of capital maintenance.
4. This approach provides a measure of accuracy is characterized by the concept of economic and profit for the entity.
5. Fair value accounting; take into consideration the changes in the purchasing power of the currency unit.
6. The use of standard fair value more appropriate for decision-making and conduct financial analysis and a better basis for the predictions of the results of the business and cash flow.
7. Information based on the fair value help in making comparisons between similar enterprises that use fair value.
8. Fair value provides investors consciously look for future predictive value of the business.

Criticism of fair value accounting:

Although previous advantages, but there are many criticisms of the fair value accounting, which can be shown as follows:

1. The determination of fair value and recognition involve a great deal of personal bias and follow the measurement basis for varying component.
2. There is a lot of investments have no market price is based on measured at historical cost.
3. The application of fair value accounting in respect of investments are complex and different ways of measuring, including those related to the desire of the enterprise to keep investments including with regard to estimate fair value.
4. Estimates may vary depending on the people who appreciated, which lose the estimated value of confidence and accuracy.
5. May increase the cost estimate for the desired benefits.

7.2. Approach to assess the fair value under US and international accounting standards

American Standard No. 157 identified three methods for measuring fair value (FASB 157, 2006) are: American Standard No. 157 identified three methods for measuring fair value (FASB 157, 2006) are: market approach, income approach, cost approach.

a. Market approach: Market approach is used when evaluating prices could viewed and other appropriate information provided by market operations, including similar assets.

b. Income approach: Income approach is used when the evaluation to convert future amounts to a uniform amount of the present value based on the assumption that the market partners are the cause of those future payments.

c. Cost approach: Depends on the amount currently required to replace ability service of an asset). And according to Standard No. 157), the use of a single approach to the measure be appropriate in some situations, using the replacement cost or indicative prices in an active market for identical assets or liabilities. In other situations, the use of multiple approaches for the measure is appropriate, because all of

the capabilities of the assessment methods require a thread, corporate reporting system used to access the appropriate measure of fair value. The International Accounting Standards Board touched on many foundations and guidelines to reach the fair value of detail in many of the accounting standards, (IAS) No. 16:) explained (Barry, Eva, 2010) "fixed assets and depreciation" when using alternative treatment method allowable for accounting for property, plant and equipment, a re-evaluation, and can determine the fair value of these assets through the following:

1. Market value, which is usually identified in knowing professionally qualified for an operation assessment.

2. The replacement value after consumption: when there is no evidence of market value because of the specialized nature of these assets, because they are rarely sold.

International Accounting Standard No. (32) explained: "(Barry, Eva, 2010) Financial Instruments: Disclosure and Presentation" Some of the foundations of a fair value measurement are as follows:

1. If the financial instrument traded in an active market with liquidity, the market price of the tool is the best evidence of fair value, as appropriate market price is:

- a. Supply price of an asset is held or obligation price will be issued.
- b. Demand price of an asset will be owning, or held obligation

2. If the financial instrument is traded in an active market or unstructured well as some of the parallel market) or trading volume was low, for a number of units of financial instruments to be assessed, or in the absence of market supply price, you can resort to the methods of estimating the fair value was determined reliably, and most important of these methods:

- a. the current market value of a financial instrument substantially similar; the tool to be evaluated.
- b. determine the discounted cash flow, using a discount rate equal to the rate of interest prevailing in the market for financial instruments with similar terms and characteristics.
- c. the use of option pricing models.

3. If a financial instrument is not traded in an organized financial market, it prefers not to specify a certain amount of fair value measurement, but rather to identify certain extent reasonably believed that the fair value lies within it.

4. When the inability to determine the fair value reliably for any reason, it is to provide users of financial statements with information about the basic characteristics of financial instruments to be assessed, including the terms of importance and conditions that may affect the amount of future cash flows, and the degree of certainty of them and to help them work own estimates to determine fair value.

(IAS 38): also included "(Barry, Eva, 2010) intangible assets" specifically for the foundations of access to fair value in showing these assets upon initial recognition as follows:

1. Quoted prices in an active market are the best measure of the fair value, and usually this price; it is the current Offer.

2. The latest price process may provide a basis can be built upon estimating the fair value, provided; not a significant change in economic circumstances between the date of the operation and the date of the original evaluation.

3. The values can be calculated by using the measurement methods developed by specific projects regularly participate in the purchase of intangible assets and sell them, these methods include - where appropriate - the application of multiple items reflect the impact of certain indicators on the current market operations such as the profitability of the parent or discount estimated future cash flows from the asset.

(IAS 39) Explain - (Barry, Eva, 2010) Financial Instruments: Recognition and Measurement - which the fair value of financial instruments is measurable reliably if the:

- a. difference between the fair value estimates is not a large.
- b. the possibility of evaluating different estimates reasonably, to reach fair value, and often the project will be able to make an estimate of the fair value of financial instruments so that they can rely on the use of reliably this value in the financial statements. According to the standard (39) investments are classified into different categories, and a measure of financial investments based on this classification, these categories are:

1. Financial assets have been evaluated at fair value and treated in the income statement, or called for trading investments;
2. Loans and receivables;
3. Investments held-to-maturity;
4. Investments available for sale.

International Accounting Standard No. (39) explained (Barry, Eva, 2010) several measures of fair value are:

1. Quoted prices in an active market for financial instruments which is the best measure of fair value.
2. Debt instrument classified by an independent rating agency, and have cash flows can be reasonably estimated.
3. Financial instrument that has an appropriate valuation model, and based on this model input data from market activities

Standard (39) (Barry, Eva, 2010) Addressed alternative ways to measure the fair value of the non-accredited above cases, these methods are:

1. If the market were not active, you can modify the values and prices listed on the market in a way to give better recognition.
2. If an active market, but circulation the financial asset or liability estimate the fair value, a very small financial obligation size relative to the size of these financial instruments, it can estimate the market makers for these tools to adopt with regard to the expected volume of trading, in order to get a fair assessment of the value of tools, through registration prices readings for long periods.
3. Can to utilize alternative methods, such as:
 - The market value of similar instruments substantially.
 - The present value of expected cash flows.
 - Option pricing models.
4. Evaluations and assessments neutral third parties.

7.3. The quality of accounting information

The quality of information concepts define characteristics of accounting information useful, or basic rules to be used to assess the quality of accounting information, the following statement to the most important of these characteristics

1. *Objectivity*: Accounting measurements in order to be as reliable when viewing the appropriate financial information for the purposes of prediction and decision-making by investors, and other users of the financial statements, it is the duty of accountants to decide property or characteristic that is the measurement, and therefore are selected action (or method) specific measure, so that they can give him a description of the feature or characteristic that have been selected largely accurate, The accountants and in an attempt to make the accounting numbers is as reliable has turned towards the concept of objectivity either to justify the application of financial accounting, or provide an argument advantage some of the principles and procedures without the other.

2. *Relevance*: The accounting objectives approach, which assumes that there is a specific group of users of financial statements, also assumes that information on wealth or economic transactions, or both are appropriate for many of the information needs of users. This means that if the description and presentation of information related to income and financial position of the proper and sufficient in the financial statements, it is assumed in this information to be useful without the need to explain any of the information, and here is assumed that the reader is Capable to choose the information they need and as well as capable of making good decisions through the information presented. Recently objection to this general assumption of utility (usefulness of the information), on the basis that accountants need to know a lot of information needed by the users of financial statements, and also know more about the nature of these users (who are these users? What are the goals of the use of information accounting?), and this concept Presentation of information for a given set of information users to achieve specific goals have led to a considerable revision to the relevance concept. The committee preparing the statement basic accounting theory; put Accounting defined in a certain way and made the relevance main standard as follows:

Information requires be relating to or associating with useful decisions/events/actions; in the sense of a relationship is beneficial; with the desired results to achieve). This concept expresses the "relevance decision" in the sense that the accounting information can be useful both for standard models or descriptive decisions. And alternative concept for "relevance decision" can be; that which relates to the achievement of the objectives of users of financial statements "relevance goal," and with this concept may be best to assess the financial information unless it harder to measure. With the normative goals, or general, can be determined, but it is difficult to determine much knowledge or time to achieve these goals as a result of accounting information, that is verified nature predictive validity of the accounting numbers. In addition to that, the goals in a self reality (personal), nature and especially in the case of the balance between risk and maximizing the wealth or cash flow. The relevance semantic relevance, its importance in the provision of accounting information as the case with relevance decision or relevance for the target; but at this stage of the development of accounting theory, the relevance semantic is the best that can be achieved. The relevance semantic - explanatory - can be achieved when the user of the information is understood, the meaning to them, and is unlikely to be appropriate for the decision or appropriate information to target what this information did not enjoy at least relevance explanatory.

Accounting principles board dealt with in the report number (4), that the emphasis in the financial statements focused on the overall objective information, based on the presumption, (that a large number of users of financial statements need to similar information, and is not intended overall goal Information: meet the needs private individuals and users of financial statements).

3. *Reliability*, users prefer information derived from financial accounting; and this information must be a high degree of accuracy, reliable financial information is as follows: to clarify the content which aims to submit accurate and honest explanation, - capability information for audit and investigation:

4. *Neutrality*: positive convention, describes impartiality. Financial Accounting Information characterized as impartial information free of bias towards any predetermined results

5. *Capability information for comparison*: This feature leads to enable users to identify the real aspects of the similarities and differences between the performance of enterprise and the performance of other enterprises over a certain period of time, and allow them to compare the performance of among the different time periods.

6. *Materiality and full disclosure*: The item is relatively important if it leads to delete, or not to disclose it, or display incorrectly, to distortion information included in financial statements. Full disclosure contributes to increasing the benefit of financial accounting information, and then the financial statements should make clear all of the information, Disclosure should focus on the information that must be clarified; (appropriate information with Materiality).

The field study

To test the hypotheses of the study, a questionnaire was designed which included four sections, first; includes five questions, and the second section; Included eight questions, and the third section consisted of eight questions, and the last section included four questions.

The study population

The study population represents the accountants, internal auditors and managers a set of selected banks, companies and financial investment, were distributed study tool of the questionnaire, using direct distribution method, and by a group of collaborators, this method has led to get a percentage of appropriate responses for the purposes of the study were 105 questionnaires out of 120 rate of 87.5%.

Validity and reliability of the questionnaire scale

To measure the validity and reliability of the questionnaire was used Cronbach's coefficient, and Table 1 shows the presence of a high degree of sincerity with respondents reaching total sincerity coefficient (0.977), which is high, which means the possibility of relying on the results of the questionnaire.

Table 1. Cronbach's alpha coefficient

N	Cronbach's coefficient
25	0.977

Statistical processing methods

The data processing according to the statistical program (SPSS), where he used the following methods:

1. Determine the stability study using Cronbach's alpha coefficient (Table 1);
2. The weighted arithmetic mean, where each is a five metrics as illustrated in the following table 2;
3. Standard deviation.

Analysis and discussion of results, and prove the hypotheses of the study

The following is an explanation of the answers respondent's hypotheses:

Table 2 differences significance of the answers respondents surveyed by type (academics, Auditors, accountants) to the first hypothesis: fair value accounting: contribute to the provision of benefit to all users of financial statements to make decisions Information

Table 2. Results ANOVA analysis (first hypothesis)

Question	Position	N	Mean	Standard deviation	F	Probability
Persons who determined the fair value measurements are highly experienced	Accountants	72	4.04	.86	.977	. ≤0.38
	Auditors	17	4.18	.88		
	Administrators	16	3.8	1.13		
Using advanced methods of determining the fair value measurements	Accountants	72	4.03	.86	.062	. ≤0.94
	Auditors	17	3.94	.97		
	Administrators	16	4.00	1.15		
The nature and type of accounts require the use of fair value measurements	Accountants	72	4.04	.86	.085	. ≤0.92
	Auditors	17	3.94	.97		
	Administrators	16	4.00	1.15		
Company's reliance on experts in determining the fair value measurements	Accountants	72	4.04	.86	.085	. ≤0.92
	Auditors	17	3.94	.97		
	Administrators	16	4.00	1.15		
Documents provide that support management assumptions regarding the fair value	Accountants	72	3.76	.72	5.773	. ≤0.004
	Auditors	17	3.24	.44		
	Administrators	16	3.94	.44		

From Table 2 is clear: the lack of statistically significant differences; for questions hypothesis, respectively, except the fifth question as significance level taking more than 0.05 values and thus accept the hypothesis: fair value accounting contributes to: provide information to all users of financial statements in making decisions, and characterized as useful

Table 3 Results ANOVA analysis: differences significance of the answers respondents surveyed by type (academics, Auditors, accountants) to the second hypothesis: No statistically significant differences between the responses of the respondents from the application of fair value accounting and the relevance of accounting information in decision-making.

Table 3 shows that there were no statistically significant differences for the second hypothesis, except for the fifth question, where the probability of significance level taking value more than 0.05 and thus accept the hypothesis: There were no statistically significant differences between the responses of the respondents from the application of fair value accounting and the relevance of accounting information in the differences decision-making

Table 3. Results ANOVA analysis (second hypothesis)

Question	Position	N	Mean	Standard deviation	F	Probability
Financial statements based on a fair value basis; provide information, characterized by high value prediction	Accountants	72	4.03	0.87	.940	≤.390
	Auditors	17	4.18	0.88		
	Administrators	16	3.75	1.13		
The fair value of financial instruments, more appropriate to the needs of users of financial information, taking into account the basis of cost-benefit when choosing the fair value measurement method	Accountants	72	4.03	0.86	.060	≤.940
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements are prepared on a fair value basis, to help creditors and banks, in making credit decisions	Accountants	72	4.03	0.86	.060	≤.940
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements are prepared on a fair value basis, to help investors make investment decisions	Accountants	72	4.03	0.86	.060	≤.940
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements based on a fair value basis, help in estimating the amount of future cash flows of the company	Accountants	72	3.75	0.71	5.84	≤.0040
	Auditors	17	3.24	0.44		
	Administrators	16	3.94	0.44		
Financial statements based on a fair value basis, help in estimating the timing of future cash flows of the company	Accountants	72	4.03	0.87	0.94	≤.390
	Auditors	17	4.18	0.88		
	Administrators	16	3.75	1.13		
Standard fair value, is more appropriate to make decisions, and conduct financial analysis and a better basis for the predictions of the results of the business and cash flows	Accountants	72	4.04	0.86	0.09	≤.920
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
A fair value basis, check the feature timely accounting information because they reflect the latest fair assessment to the terms of the balance sheet. And the implications of this assessment on the income statement.	Accountants	72	4.04	0.86	.090	≤.920
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		

Table 4 Results ANOVA analyses: differences significance of the answers respondents surveyed by type (academics, auditors, accountants) to the third hypothesis No statistically significant differences between the responses of the respondents from the application of fair value accounting and reliability of accounting information.

Table 4. Results ANOVA analysis (third hypothesis)

Question	Position	N	Mean	Standard deviation	F	Probability
Financial assets and liabilities measured at fair value, provides information with high reliability.	Accountants	72	4.07	0.86	0.15	≤0.86
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements based on a fair value basis, provide useful accounting information to the process of making investment decisions.	Accountants	72	3.76	0.72	5.8	≤0.004
	Auditors	17	3.24	0.44		
	Administrators	16	3.94	0.44		
Financial statements based on a fair value basis, provide neutral information.	Accountants	72	4.03	0.87	0.94	≤0.39
	Auditors	17	4.18	0.88		
	Administrators	16	3.75	1.13		
Financial statements based on a fair value basis, you can check their representation of reality by the administration or any external party.	Accountants	72	4.03	0.86	0.06	≤0.94
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements based on a fair value basis,	Accountants	72	4.03	0.86	0.06	≤0.94

Question	Position	N	Mean	Standard deviation	F	Probability
achieve the fair representation feature	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Expansion of the disclosure of the information based on a fair value basis increases the confidence in the accounting information published.	Accountants	72	4.04	0.85	0.09	≤0.92
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Application of fair value accounting procedures, take into account the changes in the purchasing power of the currency unit.	Accountants	72	3.76	0.70	6.05	≤0.003
	Auditors	17	3.23	0.44		
	Administrators	16	3.94	0.44		
Fair value accounting; provide investors consciously and the look predictive of future, To the enterprise value.	Accountants	72	4.06	0.87	0.99	≤0.37
	Auditors	17	4.18	0.88		
	Administrators	16	3.75	1.13		

From the table 4 illustrated the lack of statistically significant differences for the third hypothesis, except the second and seventh question where the probability of significance level taking value more than 0.05, and thus accept the hypothesis: There were no statistically significant differences between the responses of the respondents from the application of fair value and reliability of the information accounting differences accounting

Table 5 Results ANOVA analysis: differences significance of the answers respondents surveyed by type (academics, Auditors, accountants) to the fourth hypothesis: no statistically significant differences between the responses of the respondents from the application of fair value accounting and portability of accounting information to compare differences.

Table 5. Results ANOVA analysis (fourth hypothesis)

Question	Position	N	Mean	Standard deviation	F	Probability
When applying the fair value standards for the first time, the financial statements based on a fair value basis, check the comparison of accounting information feature.	Accountants	72	4.06	0.85	0.12	0.89≤
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Fluctuations in market prices will allow each of the interest rates, stock prices and real estate investments to make comparisons between the accounting information resulting from the fair valuation of such items.	Accountants	72	4.06	0.85	0.12	0.89≤
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements based on a fair value basis of accounting provide comparable information.	Accountants	72	4.06	0.85	0.12	0.89≤
	Auditors	17	3.94	0.97		
	Administrators	16	4.00	1.15		
Financial statements based on a fair value basis enables users to perform spatial and temporal comparisons for the relative valuation of the financial position and performance.	Accountants	72	3.75	0.71	5.8	0.004≤
	Auditors	17	3.24	0.44		
	Administrators	16	3.94	0.44		

Table 5 shows that there were no statistically significant differences for the fifth hypothesis, except for the fourth question as to the possibility of significance level taking value more than 0.05 thus accept the hypothesis: There were no statistically significant differences between the responses of the respondents from the application of fair value accounting and portability of accounting information to compare differences.

8. Results, conclusions and recommendations

First results:

1. The fair value contributes to providing useful information to users of financial statements and assists them in making decisions.
2. There is a positive relationship between the application of fair value and the relevance of accounting information in decision-making.
3. There is a positive relationship between the application of fair value and reliability of accounting information, which means reliability.
4. The fair value was able to make a fair comparison, both at the enterprise level for a number of periods or with similar enterprises for the same period.
5. Whenever companies relied on experts in the fair value measurement, it contributes to the reliability by users of the financial statements.
6. Financial information that is prepared on a fair value basis, to help investors make decisions on investment, as well as banks and creditors in making decisions relating to grant of credit
7. Financial information that is prepared on the basis of fair value, achieve the feature a timely manner, because they reflect the latest fair assessment to the terms of the balance sheet and the related accounts in the income statement.
8. Financial information that is prepared on the basis of fair value, achieved objectivity feature, given the possibility of verification of measurements by the management or any other party, which increases the degree of reliability. To confirm the confidence needed expansion of the disclosure.
9. The use of fair value in the period of price fluctuations related to the rate of interest rates and stock prices and investments, enables comparisons to be made for these items.

Second recommendations:

Based on previous results, we recommend the following:

1. application of guidelines contained international accounting standards (IAS32, IAS 39, IAS40....), Which requires application of fair value accounting, in addition to the International Financial Reporting Standards (IFRS 7, IFRS 13)
2. The expansion of the disclosure of information that is prepared on the basis of fair value.
3. In the case of price fluctuations of interest rates and the stock and real estate investments, preferred to use the fair value measurement.

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