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Study on Professionals' Perceived Opinion on the Impact of Market Inputs on Accuracy of Fair Value for Financial Reporting Purpose.

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ABSTRACT

This research study aims to ascertain professional perceived opinion on the impacts of Market Inputs (MI) on the accuracy of Fair Value (FV) assessment of Property, Plant and Equipment (PPE) for financial reporting purpose. The MI mean the information, data and evidence of comparable transactions used in FV assessment. The International Financial Reporting Standards 13 identifies the MI at 3 levels as level 1, 2 and 3. In light of the lack of previous studies on the subject matter in Sri Lanka, the objective of the study is to discover the relationship between MI and the accuracy of FV and its impacts on the accuracy of FV. This review is a combination of the approach, in which literature review and a pilot survey of 50 chartered valuers and chartered accountants are fused and SPSS is used for quantitative analysis, including Pearson correlation tests and Regression analysis. Most notably, the Pearson correlation reveals statistical Significance at :p-value of 0.0000, indicating the correlation is statistically significant that means the observed correlation is unlikely to be due to random chance. It further reveals a strength of Correlation: r = 0.690 indicating a strong positive relationship between MI and FV, thus, when the market inputs increases, the accuracy of Fair Value also tends to increase. On the other hand, the Regression Analysis shows that the strength of Impacts is significant (Sig.): 0.0000, while the adjusted R Square value is estimated at 0.4640 - indicating that 46.4% of variability of FV is explained by MI. Further, Unstandardized Coefficient is measured at : Mean MI - .777–(Sig.): 0.000 indicates, when 1 unit increase in MI, Accuracy of FV is supposed to be increased by 77.7% and is statically significant (p <0.05. So, it suggests that MI significantly impact on accuracy of FV. The implication of the findings is that the

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MI must be more quality and accurate with adequate accessibility for valuers in order to increase the accuracy of FV assessment. So, the research mainly recommends to establish comprehensive information regime at each corporate level, increase the inputs availability and accessibility for stakeholders, promote cooperation among the stakeholders for a culture of sharing information without reluctance, ensure complying of ethics standards among parties particularly for data protection and

privacy, increase proper education and awareness regime among stakeholders on importance of proper recording etc. Besides, the research pointed out the obstacles like the limited research area and the small sample size, suggesting further research to deal with these problems in the future to increase the accuracy of FV for financial reporting.

Key Words: Accuracy of Fair Value, Financial Reporting, Market Inputs, PPE Valuation.

Introduction

The problem of accuracy of Fair Value (FV) assessment of Property Plant and Equipment (PPE) is of great importance to the financial reporting because it directly affects financial statements and the other stakeholders who have to make crucial decisions. Valuation of PPE assets, which is the cornerstone of the fairness, is the basis of financial health of a company, intelligent investing, and compliance with the regulations (Barth *et al*., 2008). Nevertheless, the way of estimating the FV of PPE is difficult because it relies on various market inputs that may influence the accuracy of the valuation.

Market inputs encompass a broader area, which involves market forces and circumstances, industry factors, demands and supplies, technology and macrosystems (Kieso *et al*., 2016). In line with this, the amount of PPE

assets' inputs obtained by an organization is notably proportional to the perceived value that often impacts the income statement of the organization (Schroeder et al., 2022). The main issue in the connection between the inputs from the markets and the accuracy of FV assessment of PPE is the basis of decision-making for the stakeholders and the assurance of transparency in financial reporting. Market conditions to a greater or lesser extent have a critically important role to play in the valuation of the assets of PPE units. Insufficiency of real estate and construction markets by possibly reminding the enterprise of the material value of assets and goods (Palepu *et al*., 2020). In the high demand times for real estate and construction projects, the FV of PPE assets may increase, thus causing higher valuations in financial statements. In particular, if the economy is languishing in a slump or undergoing another difficult episode, this will likely translate into downward pressure on the valuation of PPE, because of its generally lower demand and market uncertainties (Nikolai *et al*., 2010).

The FV of PPE assets among different industries is very much influenced by the prevailing market trends in these particular industries (Zimmerman, 2017). Firms that regularly update their technologies to stay at the cutting edge or recognise the fickleness of consumers experience frequent upgrades of machines, plants and equipment as these get replaced. This would leave them with bodies of assets that are less valuable or even have no use to them (Palepu *et al*., 2015). Besides, changes in the regulatory framework or shifts in the industry standards may influence the valuation methodologies for PPE assets. Thus, it is important for companies to adjust their valuation practices to stay compliant and also in line with the market realities (Flood, 2015). Dynamic changes in varying markets concerning supply and demand would in turn create more erroneous FV assessment of PPE (Kieso *et al*., 2016). As an example, having an oversupply of specific types of equipment or properties has an outcome of a reduction in pricing and a resultant lower evaluation in the case of the same assets owned by companies. On the contrary, the scarcity or the high demand for certain PPE assets can lead to

their increased market value, hence, the appraised FV of such assets in financial statements will be higher (Palepu *et al*., 2015).

Technological progress is marked as the next remarkable market component which can distort PPE valuations (Schroeder *et al*., 2022). Technological advances such as automation, roboticization and 3D printing, may result in various manufacturing processes being outmoded, old machines malfunctioning or less efficient equipment being used. This, in turn, would reduce the value at which assets are being calculated (Nikolai *et al*., 2010). On the other hand, investments in modern technologies or upgrades of equipment might increase the FV of PPE assets as they would be more productive and have a competitive advantage (Barth *et al*., 2008).
Macroeconomic factors like interest rates, inflation, and currency exchange rates can be the driving force behind the assessment of PPE as well (Flood, 2015). The level of interest rates is capable of changing the expense for businesses wishing to borrow money to pay for or maintain PPE assets, while the inflation rates have the potential to affect the cost of replacing equipment or facilities (Schroeder *et al*., 2022). Additionally, fluctuations in currency exchange rates can affect the value of PPE assets held in foreign markets, introducing currency risk that must be considered in the valuation process (Epstein and Jermakowicz, 2010).

Problem identification

The accurate valuation of PPE for the financial reporting purpose is very essential and, at the same time, faces the problem of market inputs. Although a variety of approaches for the valuation of PPE have been developed, some factors governing the state of the market and industry trends, supply and demand dynamics, technological advancements and macroeconomic indicators impact the valuation of PPE to no avail. Such unclarity presents considerable difficulties for stakeholders, which include investors, supervisors, and management since disclosing the values of assets in reporting statements might be distorted. Therefore, we should investigate

and face the challenges and discrepancies that come from market inputs in the valuation of PPE. Through this, stakeholders can only bring about better transparency, reliability and conformity in financial reporting, therefore, eradicating the doubt of investors in the financial statement thus investment market.

Research objectives, and hypothesis of the study

This research paper aims to achieve following two objectives,

1). To ascertain relationship between Market inputs and accuracy of FV of PPE for financial reporting purpose,

2). To analyse the impact of Market inputs on the accuracy of FV of PPE for financial reporting purpose.

Accordingly, following two hypotheses were tested,

H1: There is a significant positive relationship between Market inputs and the accuracy of FV assessments of PPE for financial reporting.

H2: Market inputs significantly impact on the accuracy of FV assessments of PPE for financial reporting.

Literature review

Concepts of Fair Value assessment

FV is defined "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (IVS 104, (2022), 90.1). Value appraisal and financial reporting are based on reliability, basically, the two are aimed at making the valuation accurate and transparent. This definition shows that the market forces and the participants' perspectives are the main deciding factors in FV assessment of PPE. Further, Fair value is the amount for which an asset can be exchanged between interested and conversant parties in an arm's length transaction, and it is determined by market prices, appraisals, or discounted cash flow analyses (Kieso *et al*., 2016).

There are mainly three approaches used in FV assessment namely Market Approach, Income Approach and Cost Approach. The market approach is one of the broad methods used for the determination of the FV, and so the market prices or inputs are the observable evidence of value of assets or liabilities. Hence, the investment appraisal process is independent of the principle of Fair Value Accounting (FVA), which is based on valuation estimates that mostly use reliable market data (Barth *et al*., 2001). Nevertheless, the employment of the market approach may not be possible in the cases where the market data is missing or unreliable, hence, other valuation methods are needed.

On the other hand, the income approach to FV assessment is based on the methods to estimate the present value of future income streams resulting from ownership of an asset or liability.
Related to this is the nature of the correlation between income-generating assets and the defined range of assets is also helpful and therefore market volatility. Through the procedure of depleting future cash flows to their present value, the income approach gives an understanding of the real value of an asset, based significantly on its expected cash flow generation potential (Sapra *et al*., 2008).

At the last resort, the available approach is however the cost approach which also holds weight, where the cost of replacement or reproduction of the asset is considered to live up to its FV. This approach is based on the assumption that an informed buyer would not pay more for an asset than the cost to get or produce a substitute which is of the same utility as the asset.

Despite the diversity of fair value assessment approaches, the overarching objective remains consistent. The main aim of this strategy is to timely inform all stakeholders of relevant and reliable information for effective decision-making. To accomplish this task, the norm of accounting standards, openness of disclosure practices, and strict valuation techniques

that reflect the real economic value of assets and liabilities should be followed (Nikolai et al., 2010).

Requirement of Fair Value

The requirement of FV has gained prominence in financial reporting, particularly in the valuation of PPE, owing to its potential to enhance transparency and reflect the true economic substance of assets. Fair Value, defined by the FASB, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (FASB, 2018). FV has been endorsed by its proponent to offer the users of financial reports prompt and current relevant information about the assets' status. Supporters point out that FV model is more like to reflects the current market conditions and the economic realities as compared to historical cost accounting model, thus it enables the stakeholders like investors, creditors and others to make better decision-making (Barth *et al*, 2008).

Nevertheless, FV model comes up against such challenges from those fit to judge, but the acceptance rate for them increases in standard-setting bodies and regulatory authorities. The International Financial Reporting Standards (IFRS) demand FV model for specific financial instruments and investment properties, while the FASB has increased the use of FV model in the US Generally Accepted Accounting Principles (GAAP) using standards like ASC 820, Fair Value Measurement (IFRS Foundation, 2020; FASB, 2018).

Standards applied for Fair Value assessment

Valuation at FV is an indispensable part of financial reporting which even relates to the PPE evaluation. Both IFRS and GAAP offering instructions on FV recognition enhance the financial reports' transparency and consistency. According to IFRS, the International Accounting Standard (IAS) 16 governs the accounting for PPE, where the FV measurement is the key aspect when the assets are first recognized, revalued, or derecognized.

Furthermore, par of IAS 40 includes standards for FV measuring of investment property, additionally, it gives a structure for establishing the FV of PPE, those held for income production or capital appreciation. Similarly, under GAAP, the FASB Statement No. 157, "*Fair Value Measurements*," establishes a framework for measuring FV and guides the hierarchy of inputs used in FV measurements. Furthermore, FASB Statement No. 141R and Statement No. 142 address the accounting treatment for business combinations and intangible assets, respectively, requiring FV measurement for acquired assets.

Scholars have extensively studied the application of FV standards in financial reporting, highlighting both benefits and challenges associated with their implementation. Proponents argue that FV measurement enhances transparency, providing users of financial statements with relevant and reliable information for decision-making purposes (Penman, 2007). Additionally, FV measurement reflects current market conditions, offering a more accurate representation of asset values compared to historical cost measurement (Barth, 2022).

Concepts of Property, Plant, and Equipment (PPE)

PPE is a central concept in financial accounting, which stands for the tangible assets a company needs to run its operations. PPE covers a bundle of resources categorized under land, buildings, machines, equipment, transportation, and furniture which are applied in the actual production or just for administrative purposes (Kieso *et al*., 2016). The accuracy of valuation and reporting of vital assets such as PPE is done particularly under the auditing of IFRS and GAAP.

According to IFRS, PPE assets are initially recorded at cost, which is all the expenses directly attributable to their acquisition, construction, or production, including taxes, duties, and transportation costs (IFRS Foundation, 2021). Later on, PPE assets are accounted for as depreciation

expense on the income statement representing the decreasing value of the asset as a result of shrinkage, wear, and tear. (IAS Plus, n.d.).

Market inputs and their importance in Fair Value assessment

In the world of modern accounting, the measurement of the FV of assets including PPE reflected in financial statements has gained enhanced popularity; it is for its substantial role in financial reporting. The market inputs, which in this case are the external factors affecting the perceived value of assets, play a vital role in this valuation process. Contextual sources, including comparable transaction evidence, market conditions, industry trends, supply and demand fundamentals, technological development, and macroeconomic factors, are used for setting the assets' FV.

Market conditions play a substantial role in estimating FV as they affect the price of the assets and market liquidity. Majercakova and Skoda (2015) state that during a recession, market uncertainty can cause asset prices to be more volatile, which makes it difficult to measure the FV accurately. Besides, Barth *et al*. (1995) argue on the impacts of the real estate and construction market that hinder accurate valuation of PPE assets, highlighting market conditions as a determinant of FV. Industry-specific trends that add significantly to FV measurement are also wielded as a powerful influence. As stated by Brown-Liburd *et al*. (2014), industries that consist of rapid technological innovation may undergo lots of updates of equipment and facilities which in turn will require the adjustment of the methods of valuation to accurately reflect the asset obsolescence. Additionally, company appraisals may change due to regulations and standard-based transformation of the industry's environment as noted by Leuz and Verrecchia (2000), pointing out the importance of dynamic valuation approaches that can adapt to market dynamics.

Macroeconomic variables, such as interest rates, inflation rates, and currency exchange rates, have also influenced the FV estimates as identified earlier. According to Al-Qudah (2012), interest rate changes can twist cash flow numbers in asset valuation models, which in return will affect the FV measurement. Besides the impacts on the currency exchange rates that introduce currency risk, the FV estimate of the company needs to be studied, as proposed by Zang (2012). Market conditions, among other real estate and construction fluctuations, so frequently change similarly, creating rather inexact evaluation of PPE assets. Ball (2006) mentioned that concerning observable market prices or inputs, market-based valuation methods must be used to estimate the FV of assets.

Importance of accuracy in Fair Value

The ability to appropriately value assets using adequate inputs, methods and techniques is known as valuation accuracy. Alternatively, it is a degree of gap between appraised price and transacted price, so narrower the gap, higher the accuracy. Also, accuracy of valuation is an outcome of quality information, hence adequate and reliable inputs are necessary for accurate valuation. The Fair Value Assessment (FVA), supported by standard-setting bodies such as FASB and IASB, is based on the reporting of assets and liabilities at their current market values. Supporters of the same contend that FV assessment is efficient in transmitting information to market participants through reflection of current market conditions and the reality of the economic environment (Barth *et al*., 2008). Nonetheless, the foes pinpoint the fact that FV assessment can be quite subjective and easy to manipulate, undoubtedly in an impaired market (Laux and Leuz, 2009).

Facts-based research has shown that the transparency of FV information contributes to improved market liquidity, investor confidence, and higher valuation accuracy (Roggi and Giannozzi, 2015). Besides, FV assessments leading to accuracy enable us to discriminate asset impairments, and

financial statements show the real economic key of assets and liabilities (Barth *et al*., 2001). Recent studies show that the reliability of fair market valuations positively correlates with a level of disclosure about background knowledge and assumptions used by companies (Botosan and Plumle, 2002). In addition, proper and efficient regulatory measures and controlling mechanisms would contribute a great deal towards complying with FVA standards and preventing fraudulent acts (Shahzad *et al*., 2019). Furthermore, accurate Fair Value assessments increase transparency and the decision-making process, all of which help in the stability and efficiency of financial markets. Barth *et al*. (2012), in their study, argued that FVA denies information asymmetry between investors and managers, hence managers have to be accountable to investors at a very high risk, which thus reduces the agency costs and improves capital allocation efficiency. Likewise, the FV parameters permit participants in the market to determine the risk-reward profiles of investments more accurately which helps in discovering the prices and achieving market efficiency (Barth *et al*., 2009).

Issues associated with the lack of Fair Value accuracy

Asset valuation is a pillar in financial reporting, which offers capital providers all the data required for the analysis of a company's financial health and performance. However, Penman (2007) pointed out that fair valuation accounting depends to a large extent on subjective judgments, and as a result, biases and inconsistencies in asset valuations may arise. This subjectivity is most evident in the forecasting of future cash flows, discount rates, and market comparable used in the valuation models (Barth *et al*., 2001). As such, with a difference in Fair Values and prices in the market the trustworthiness of financial statements can be affected. What is important in this regard is the matter of PPE assets, which brings problems to their precise valuation. Contrary to financial assets, which usually have market prices readily available, PPE assets differ by their physical condition, useful life, and technological obsolescence (Zyla, 2020). For

instance, various items such as machinery and equipment can depreciate at different rates depending on the level of use and whether they are regularly maintained. The latter also means that accurate determination of PPE value is a matter of extensive knowledge of specific asset features and market dynamics, some of which might be hard to get. What we also can cite is the absence of transparency in valuation. Christensen *et al*. (2011) study was concerned about FV measurement transparency and disclosure credibility. In such cases when management estimates are unreliable, or if there are no open markets to compare the value, valuation inputs may be guesswork. Under these circumstances, the stakeholders may doubt the reliability and objectivity of the FV measurements and thus create distrust and scepticism in the financial reporting.

On the other hand, both the regulatory requirements and the accounting standards might make the issue concerning FV accuracy worse. Many of the accounting standards that currently exist like IFRS 13 and ASC 820 have placed a great deal of emphasis on the use of FVA practices (Laux and Leuz, 2009). Nevertheless, following these standards may be a complicated and resource-intensive process, especially for companies with different assets and international operations (Nobes, 2014). Besides, there are increased inspections and enforcement actions regarding FV measurements due to financial crises that took place later. That makes the accuracy of the FV even more crucial (Beatty *et al*., 2008). The subject of market volatility and economic fluctuations also pose challenges to FV accuracy. According to Landsman (2006), market instability is likely to distort figures found on FV, mostly those which have little trade or are in illiquidity markets. Bushman and Smith (2001) have observed that during period of increased economic risk or during financial difficulties expected future cash flows and discount rates may change by substantial amount thereby affecting FVs. Thus, the value of PPE assets may not be correctly worth in this case to what really represents the economic value of assets in the companies' balance sheets.

Methodology of the study

The method used in the research study to investigate the research issue combines quantitative analysis with empirical research to get a more complete picture of the relationship between market inputs and the accuracy of FV assessments for PPE assets. The study used primary data to accomplish the objectives of the study. The study collected 50 responses from both Chartered Valuers and Accountants for this pilot study and analysed the data using SPSS (26) software. Based on the selected variable's average score, Pearson correlation analysis is considered to find out the relationship strength and multi-collinearity issue. The study did not find any correlation strength of more than 0.9 and it indicates that that there is no multi-collinearity issue present among the IV (Market Input) and DV (Fair Value) (Sangchan *et al*., 2020). The study also applied linear regression to find out the impact of IV on DV. The study applied the bootstrap method in regression to improve the finding's reliability. The method will help to improve results generalization as we have only 50 participants and this method used a resampling technique (Bootstrap=2000) (Xu et al., 2020).

Data analysis and discussion

The analysis reveals a positive relationship with significant impact between Market inputs and FV accuracy. It implies that of greater quality and more dependable inputs may result in more accurate FV assessment and improve the unwavering quality of financial reporting. 4.1 Correlation analysis:

The analysis of findings of the pilot survey measured the Pearson correlation coefficient between market inputs and FV accuracy at (r) at 0.690 that indicates a significant and moderately strong positive corelation between the Market inputs and the accuracy of FV. This positive correlation infers that FV accuracy tends to rise in tandem with an increase in market inputs.

Further, the Statistically significant (p-value) is measured at 0.000 which suggests that correlation is statistically significant, meaning that the observed correlation between variables is unlikely to be due to random chance, therefore concludes a robust relationship between variables.

Regression analysis:

Table 2 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change	Durbin Watson
1	.690[a]	.476	.464	.36159	.000	2.108

Table 1 : Pearson Correlations

		Mean_MI	Mean_FV
Mean_MI	Pearson Correlation	1	.690**
	Sig. (2-tailed)		.000
	N	50	50
Mean_FV	Pearson Correlation	.690**	1
	Sig. (2-tailed)	.000	
	N	50	50

**. Correlation is significant at the 0.01 level (2-tailed).
Source : Author Generated

Predictors: (Constant), Mean_MI
Source : Author Generated

On the other hand, the Regression analysis results above shows that R Square value is calculated to be 0.4760 and it indicates that 47.6% of the variability of the dependent variable is explained by the independent variable thus it suggests a moderately strong model fit. Further, adjusted R Square Value is measured at 0.4640, that suggest the model's explanatory power is still reasonably strong, indicating a similar proportion of explained variance when considering number of predictors, indicating the model is relatively well-fitted to the data. Further, Std. Error of the Estimates at 0.361590 shows a lower standard deviation of the residuals, implying a better prediction accuracy. The Durbin-Watson value is measured at 2.108 that suggest a little or no autocorrelation in the residuals, meaning that the

residuals are independent that is the key assumption on which linear regression is based on.

The ANOVA table above on the other hand, shows the F-statistic (42.630) and a p-value of 0.000, confirming that the model significantly explains the variation in Mean FV. This suggests that market inputs has a strong and meaningful impact on the accuracy of FV, validating the inclusion of Mean MI as a predicator in the valuation model and an it can be approximately attributed for 47.6% of the variation in Mean FV

Source : Author Generated

Table 4 : Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.992	.463		2.144	.037
	Mean_MI	.777	.119	.690	6.529	.000

a. Dependent Variable: Mean_FV

Table 3 : ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.574	1	5.574	42.630	.000[b]
	Residual	6.145	47	.131		
	Total	11.719	48			

a. Dependent Variable: Mean_FV

b. Predictors: (Constant), Mean_MI

Source : Author

As per the Table 4 above, Sig. for Mean MI is measured at 0.000 suggesting

that the relationship between Mean_MI and Mean_FV is highly statistically significant and the positive Beta coefficient (0.690) suggests that Mean_MI is a strong predictor of Mean_FV. Further, the Mean_MI B = 0.777, indicates that for every one-unit increase in Mean_MI, the Mean_FV is expected to increase by 77% while all other factors are constant. Moreover, the t-value of 6.529 indicates a very strong statistical significance, suggesting that Mean_MI is a significant predictor of Mean FV.

In summary, the Regression analysis suggest that the model demonstrates a strong positive relationship between Market inputs and FV accuracy while Market inputs is accounting for approximately 47.6% of the variance in accuracy of Fair Value. The model is statistically significant, and the coefficients indicate that Market input has a significant and strong impact on accuracy of FV. In conclusion, there is a strong and statistically significant positive relationship between Market Inputs and FV accuracy. This suggests that higher market inputs are associated with higher accuracy of Fair Value assessment.

Therefore, this study with integrating literature reviews and data analysis effectively achieves the objectives of the study being, to ascertain relationship between Market inputs and accuracy of FV of PPE for financial reporting purpose and its impacts, thus, both hypotheses were accepted. Accordingly, it is well confirmed that the significant positive relationship between the Market inputs and FV accuracy, as well as the Marekt inputs significantly impacts on the FV accuracy. Thus, this comprehensive discussion highlights the need to obtain accurate and relevant market data and employ techniques that dynamically respond to quantitative variations as critical success factors in generating accurate FV assessment for financial reporting purpose.

Implication and recommendations

Investigating international FV assessment of PPE in financial reporting

implies critical signs trying to reveal complexities and challenges in this process. Although the fair valuation approach attempts to achieve transparency and accountability of financial reports, its accuracy is under-debated, making the implication assessment on the stakeholders and financial decision-making to be rather nuanced. In this backdrop, the implication of the study findings is that the Market Inputs must be more quality and accurate with adequate accessibility for valuers in order to increase the accuracy of FV assessment. More importantly, the accuracy of FV assessment could be challenged in the backdrop of scant market inputs regime.

To ensure, accuracy of the FV assessment, one of the prominent factors would be a making all possible information and data available for valuers to form an objective opinion on Value of a Property. Most salient point here is an environment to collect transparent, accurate, reliable and adequate market inputs with ease of accessibility at points when it is required to the extent that is needed for the Valuation to make objective judgements. Accordingly, following recommendations are suggested.

I. Establish comprehensive information regime at each corporate level and national level
II. Ssuggests to improving the transparency, increasing the inputs availability and accessibility for stakeholders mainly for Valuers
III. Promoting the cooperation among the stakeholders for a culture of sharing information with valuers without reluctance as required for the purpose given
IV. Ensure complying of ethics standards among parties particularly for data protection and privacy
V. Increase proper education and awareness regime among stakeholders on importance of maintaining proper recording, reliable and accurate information regime for use of FV assessment

VI. Suggest to do further research to deal with the issue and more scientifically and practically to ensure reliability of financial reporting and investor confidence.

VII. Educate stakeholders and general publics on importance of compiling data & information in methodical manner and maintaining systematic property recording mechanism within organisations and also by individual property owners.

VIII. Setting up proper monitoring regime within professional institutions to review Valuations opinions by their respective members on regular basis and share feedbacks with stakeholders in order to ensure accuracy of FV assessment.

Conclusions

Conclusively, the proper valuation of PPE to achieve accurate financial reporting is crucial to stakeholders in making decisions and a transparent market. This study effectively established that there is a significant positive relationship between market inputs and accuracy of FV assessment. It further proved that market inputs significantly impact on the accuracy of FV assessment. So, the market inputs is critical to ensure the reliability of financial statements which relied by stakeholders for investment decision making. The study suggests that more reliable and quality inputs may lead to generate more accurate FV assessment, thereby improving the unwavering quality of financial reporting. Literature review further reveals that the effects of FV assessment extend to stakeholders, signifying thorough transparent valuation processes for investors to get dependable opinion in order to make informed decisions on investments. It also finds that the accuracy of FV could be challenged in the backdrop of scant market inputs regime thus the subjectivity and inadequacy of the inputs may give room for inaccuracies if not scrutinized correctly before it is considered to use for FV assessment. Finally, it concluded that All stakeholders mainly Valuers, Accountants and Corporates must maintain their integrity and

transparency by using accurate, and reliable inputs adequately for FV assessment to ensure its accuracy and dependability to take informed decisions on investment.

Limitations

This study is not without limitations. Firstly, its scope is limited to the fair value measurement of PPE for financial reporting purposes only. This might disregard more other salient factors that could impact on the accuracy of FV assessment. Secondly, the relatively small sample of 50 participants taking part in the pilot survey may not present the entire spectrum of views and opinions that exist in this field, which might diminish the study's generalization. Finally, the use of secondary data and information may imply that the articles and dataset results used contain some bias or restrictions. By mitigating the limitations of the study through the use of wider research methods, larger samples, and the integration of multidisciplinary viewpoints, the study would become more inclusive and enhanced in terms of credibility.

Future Research

This is not an easy task, but future research in this field is going to address quite a few key areas to further advance the understanding and practice and hence will be useful for future generations. Firstly, it is suggested to do research for larger number of industries by incorporating other potential factors that would impact on FV accuracy. Then, it will help us to get a better picture of the accuracy of FV assessment so that to take informed decisions more accurately. Besides that, one should also include qualitative research methods such as interviews and case studies with quantitative analyses and that would make it possible to have a better understanding of the real-world challenges and nuances of accuracy of FV accounting.

Besides, future studies should put more emphasis on enlarging the sample sizes and having more varieties of participant demographics to make sure that the findings are applicable and conclusive to all. Doing research about the new trends and more factors that could impact of accuracy of FV assessment may probably help to get new insights about the ways to avail the adequate and quality market inputs to improve the accuracy and efficiency of the FV assessment.

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