

Research on the Application and Information Disclosure of Third Level Input Values in Fair Value Measurement

Ding Li

Adam Smith Business School, University of Glasgow, Glasgow, UK

ABSTRACT

Fair value measurement is a core measurement attribute of modern financial accounting. In its hierarchical division, the third level input value has become a key and difficult point in practical application and information disclosure due to its dependence on unobservable data and valuation techniques. This article is based on the relevant regulations of IFRS 13 and CAS 39 in China, using literature research and normative research methods to analyze the operational difficulties and disclosure status. Research has found that Chinese enterprises have problems with inconsistent valuation techniques, subjective parameter settings, and insufficient data verifiability in the application of this input value. Disclosure also has deficiencies such as insufficient content, vague expression, poor comparability, and lack of sensitivity analysis. The main causes are the strong principle guidance of the standards, insufficient valuation ability of enterprises, imperfect external environment, and lack of regulatory strength. This article proposes to refine practical guidelines, enhance the level of enterprise valuation, build a unified valuation database, strengthen regulatory accountability, and improve its application and disclosure quality. The research conclusion can provide reference for enterprises to standardize operations and regulatory agencies to optimize policies, helping to improve the relevance and reliability of financial reporting information.

KEYWORDS

Fair value measurement; Third level input value; Information disclosure; Valuation techniques; Standard specifications

1. INTRODUCTION

Fair value measurement has become a core attribute of financial reporting in conveying useful information for decision-making, as it can timely reflect changes in the market value of assets and liabilities. The International Financial Reporting Standard 13 (IFRS 13) of the International Accounting Standards Board (IASB) clarifies for the first time the three-level division of fair value input values, and China's Enterprise Accounting Standard 39 (CAS 39) is adopted simultaneously, forming a hierarchical framework of "active market quotations (Level 1) - observable input values (Level 2) - unobservable input values (Level 3)" [1].

The third level input values are unobservable input values, suitable for asset liability measurement without active markets and observable transaction prices, covering complex financial instruments, non-standard investment real estate and other scenarios. Its core relies on internal data and management judgment of the enterprise, and fair value needs to be determined through valuation techniques such as income method. The challenges it faces include: subjective measurement due to the lack of unified standards for key parameter setting, and reduced transparency in financial reporting due to non-standard information disclosure.

From a practical perspective, the application and disclosure quality of the third level input values are not only related to the authenticity and accuracy of financial statements, but also affect the decision-making efficiency of stakeholders and even trigger market trust risks. In China's capital market, there are often compliance issues related to fair value measurement disputes, many of which are related to improper application or insufficient disclosure of the input value. Studying its application, problems, and optimization paths is of great significance.

This article follows the logic of "Application Status Disclosure Issues Cause Analysis Optimization Countermeasures" to define its core connotation and scenarios, analyze operational difficulties and disclosure issues, explore the causes from the four dimensions of standards, enterprises, markets, and regulation, and propose improvement suggestions, providing reference for regulating measurement behavior and improving disclosure quality.

2. THE CORE CONNOTATION OF FAIR VALUE MEASUREMENT LEVELS AND THIRD LEVEL INPUT VALUES

2.1. Classification Criteria for Fair Value Measurement Levels

The core of fair value measurement hierarchy is the observability of input values, aimed at improving measurement consistency and comparability, and helping users judge the reliability of results. According to IFRS 13 and CAS 39, the first level is the unadjusted quotation of the same assets/liabilities in the active market, which has the highest reliability and is applicable to listed company stocks, standardized bonds, etc; The second level refers to numerical values that can be directly/indirectly observed (such as asset quotes) in addition to the first level, and is applicable to projects with partially observable market data; The third level is unobservable input values that cannot be obtained from the market and require internal information and management judgment. It is suitable for scenarios without active markets and similar project references.

The three follow the priority of "observation first, unobservable later". Enterprises need to prioritize the first two levels and only use the third level when it cannot be obtained. This setting reflects the core logic of fair value "market-based" and highlights the complementarity and specificity of the third level.

2.2. Definition, Core Features, and Valuation Techniques of Third Level Input Values

The third level input value is "observable input value that cannot be obtained from market participants on the measurement day", with three core characteristics: first, unobservability, relying on internal data rather than market public information; Secondly, the subjectivity is strong, and key parameters such as discount rate require management's experience and judgment, lacking market reference; The third is to rely on the Income Method, Market Method, and Cost Method, which require the transformation of internal data to obtain measurement results. The scientific nature of technology directly affects the quality.

2.3. Main Application Scenarios of Third Level Input Values

The third level input value set is applied to asset liability projects lacking an active market: firstly, complex financial instruments (structured wealth management products, derivatives), which are difficult to obtain observable quotes due to infrequent trading and strong personalized terms, and belong to the core application scenarios of the third level input value (Level 3)[2, 3]; The second is investment real estate (non standardized commercial real estate, unfinished properties), which does not have a similar active market that requires valuation determination [4]; The third is intangible assets (customer relationships, trademark rights) in business mergers, which have no public market price and are valued based on future earnings forecasts; The fourth is other special assets (non-

standard debt, public welfare assets), which use this level of input value due to insufficient market activity.

These scenarios all have the characteristics of strong asset/liability specificity, low transaction frequency, and poor transparency, which determines the irreplaceability of the third level input value and also puts forward higher requirements for enterprise valuation and disclosure level.

3. THE CURRENT APPLICATION STATUS AND OPERATIONAL DIFFICULTIES OF THE THIRD LEVEL INPUT VALUES IN PRACTICE

3.1. Practical Application Status of Third Level Input Values

The application of third level input values by Chinese enterprises is mainly concentrated in the financial industry and large manufacturing industries. Banks, securities firms, insurance companies, and other entities hold a large number of complex financial instruments and are the main users. The proportion of A-share listed companies disclosing the use of input values at this level continues to rise, with core areas involving financial assets, investment real estate, and intangible assets [5].

The most widely used input value in the financial industry, including non-standard bank loans, wealth management products, securities firms' private equity funds, and insurance companies' policy liability measurement; In non-financial industries, large manufacturing companies are more commonly used in corporate mergers and intangible asset evaluations, while small and medium-sized enterprises have insufficient valuation capabilities and a lower proportion of applications. Valuation techniques are mainly based on the Income Method, Market Method, and Cost Method. the Income Method is the most widely used and suitable for assets with predictable future returns, followed by the Market Method. The Cost Method is mostly used for auxiliary measurement of fixed assets and intangible assets.

3.2. Core Operational Difficulties of Applying Input Values at the Third Level

There is no unified standard for the selection of valuation techniques: IFRS 13 and CAS 39 only require "valuation techniques consistent with market participants" in principle, without specifying the applicable techniques for different assets and industries, resulting in significant differences in enterprise choices. For private equity investments, some use the Income Method, Market Method, comparable company method, and even Cost Method, and the differences in results affect the comparability of accounting information.

The setting of key parameters is subjective: core parameters such as discount rate and future cash flows rely on management's judgment and have no objective basis. The discount rate is adjusted based on the weighted average cost of capital, and there is no unified standard for selecting risk premium and market interest rate. Some companies adjust their profits by adjusting parameters; Cash flow forecasting relies on business planning and is susceptible to market judgment errors or earnings management [6, 7].

Insufficient data availability and verifiability: Input values rely on internal enterprise data, and lack external verification for authenticity and integrity. The emerging technology industry lacks industry benchmark data, making it difficult to judge the rationality of parameters. There is no reference for the technology lifecycle in intangible asset valuation, and the reliability of the results is questionable.

Valuation requires complex models and professional knowledge, and most companies lack professional talents. Small and medium-sized enterprises rely heavily on external institutions, which have limited understanding of their business and can easily lead to model disconnection. Some companies have not updated their valuation models for a long time and have not adjusted them according to market and operating conditions, which affects the timeliness of measurement.

3.3. Empirical Test

3.3.1. Sample Selection and Data Sources

Select A-share listed companies that disclosed Level 3 input values from 2019 to 2023 as the initial sample, exclude ST/*ST enterprises, delisted firms, and those with missing financial data, and finally obtain 412 enterprises and 2060 "firm-year" observations.

Data sources: ① Valuation-related information (valuation technology, key parameters, disclosure characteristics, etc.): manually collated from the annual report notes on CNINFO (<http://www.cninfo.com.cn>); ② Financial and industry data: CSMAR database, winsorized at the 1% and 99% quantiles to eliminate outliers; ③ Asset structure data: calculated by extracting financial asset amounts from the "detailed balance sheet items" in the annual report notes.

3.3.2. Research Assumptions and Definitions of Core Variables

(1) Research Assumptions

Based on the previous analysis, focusing on the impact of industry attributes, three testable hypotheses are proposed:

H1: Compared with non-financial industries, the financial industry tends to adopt the Income Method (with the Market Method as the reference group) in the valuation of Level 3 inputs;

H2: The parameter subjectivity of the financial industry is significantly higher than that of the non-financial industry;

H3: The data verifiability of the financial industry is significantly lower than that of the non-financial industry.

(2) Variable Definitions

Core variable definitions are provided in Table 1, with clear measurement standards for each indicator.

Table 1. Core Variable Definition Table

Variable Type	Variable Name	Variable Symbol	Variable Description
Dependent Variable	Valuation Technology Type	Valuation_Method	Unordered Categorical Variable: Income Method=1, Market Method=2 (Reference Group), Cost Method=3, Mixed Method=4
Dependent Variable	Parameter Subjectivity	Param_Dispersion	Ordered Variable at the Company Level (Reverse Coding): 1=Disclosed Value+External Benchmark, 2=Disclosed Value+Internal Explanation, 3=Disclosed Value Only; The larger the value, the stronger the subjectivity
Dependent Variable	Data Verifiability	Verifiability	Ordered Rating: 3 Points=External Benchmark Support, 2 Points=Internal Logic Explanation, 1 Point=No Support at All
Core Independent Variable	Industry Attribute	Industry	Dummy Variable: Financial Industry=1, Non-Financial Industry=0
Control Variable	Company Size	Size	Natural Logarithm of Total Assets at the End of the Period
Control Variable	Profitability	ROA	Net Profit/Total Assets at the End of the Period
Control Variable	Financial Leverage	Leverage	Total Liabilities at the End of the Period/Total Assets at the End of the Period
Control Variable	Asset Structure	Asset_Structure	Proportion of Financial Assets to Total Assets (Controlling for Asset Complexity)

Note: The definition of Level 3 inputs is based on IFRS 13 (para. 86), referring to "unobservable inputs that cannot be obtained from market participants on the measurement date, reflecting market participants' pricing assumptions"; China's relevant accounting standards refer to CAS 39, which is converged with and aligned to IFRS 13.

3.3.3. Model Construction

Construct an appropriate model based on the type of dependent variable, controlling for year and industry fixed effects, as follows:

(1) Multinomial Logit model (Valuation Technology Type, with the Market Method as the reference group):

$$P(\text{Valuation_Method}_{(it)} = k) = \exp(\alpha_{0k} + \alpha_{1k}\text{Industry}_{(it)} + \alpha_{2k}\text{Size}_{(it)} + \alpha_{3k}\text{ROA}_{(it)} + \alpha_{4k}\text{Leverage}_{(it)} + \alpha_{5k}\text{Asset_Structure}_{(it)} + \text{fixed effects}) / [1 + \sum \exp(\alpha_{0j} + \alpha_{1j}\text{Industry}_{(it)} + \dots + \text{fixed effects})] \quad (k=1, 3, 4 \text{ corresponds to the Income Method, Cost Method, and Mixed Method; } i=\text{enterprise, } t=\text{year})$$

(2) OLS Regression Model (Parameter Subjectivity):

$$\text{Param_Dispersion}_{(it)} = \beta_0 + \beta_1\text{Industry}_{(it)} + \beta_2\text{Size}_{(it)} + \beta_3\text{ROA}_{(it)} + \beta_4\text{Leverage}_{(it)} + \beta_5\text{Asset_Structure}_{(it)} + \text{fixed effects} + \varepsilon_{(it)}$$

(3) Ordered Logit Model (Data Verifiability):

$$\text{Logit}[P(\text{Verifiability}_{(it)} \geq m)] = \gamma_{0m} + \gamma_1\text{Industry}_{(it)} + \gamma_2\text{Size}_{(it)} + \gamma_3\text{ROA}_{(it)} + \gamma_4\text{Leverage}_{(it)} + \gamma_5\text{Asset_Structure}_{(it)} + \text{fixed effects} + \varepsilon_{(it)} \quad (m=2,3; \varepsilon_{(it)}=\text{random error term})$$

3.3.4. Empirical Results Analysis

(1) Descriptive Statistics

Descriptive statistics of core variables are presented in Table 2, initially reflecting the distribution characteristics:

Table 2. Descriptive Statistics of Main Variables

Variable	Sample Size	Mean	Standard Deviation	Core Conclusions
Valuation_ Method	2060	1.68	0.83	Valuation technologies are mainly Income Method and Market Method, with scattered choices
Param_ Dispersion	2060	2.15	0.78	Parameter Subjectivity is relatively strong, with significant differences among enterprises
Verifiability	2060	1.87	0.76	Data Verifiability is relatively weak, lacking external support
Industry	2060	0.32	0.47	Financial industry samples account for 32%, with a reasonable distribution
Asset_ Structure	2060	0.45	0.23	The average proportion of financial assets is 45%, with significant differences across industries

The statistical results show that there is no unified standard for the selection of valuation technologies, and the problems of Parameter Subjectivity and Data Verifiability are consistent with the research expectations.

(2) Industry Differentiation Test

The results of the independent samples t-test are presented in Table 3, comparing the differences between financial and non-financial industries:

Table 3. Industry Difference Test Results

Variable	Mean of Financial Industry	Mean of Non-Financial Industry	P-Value	Conclusion
Valuation_Method	1.42	1.85	p<0.001	Financial industry tends to adopt the Income Method (supporting H1)
Param_Dispersion	2.43	2.01	p<0.001	Financial industry has higher Parameter Subjectivity (supporting H2)
Verifiability	1.63	2.01	p<0.001	Financial industry has lower Data Verifiability (supporting H3)

The differences of the three variables all reach the 1% significance level, initially verifying the hypotheses, and the interference of asset structure has been controlled through Asset_Structure.

(3) Regression Results

The results of regression analysis are presented in Table 4, clarifying the core impact of industry attributes:

Table 4. Regression Analysis Results

Variable	Model 1 (Valuation Technology Type, Multinomial Logit)	Model 2 (Parameter Subjectivity, OLS)	Model 3 (Data Verifiability, Ordered Logit)
Industry	-0.382*** (0.092) (vs. Market Method)	0.215*** (0.048)	-0.312*** (0.071)
Size	0.168** (0.073)	-0.087* (0.046)	0.135** (0.055)
ROA	-0.092 (0.095)	-0.053 (0.049)	0.102 (0.078)
Leverage	0.115 (0.088)	0.098** (0.042)	-0.121 (0.069)
Asset_Structure	0.203** (0.085)	0.156*** (0.045)	-0.187** (0.076)
Year Fixed Effects	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	Yes
R ² /Pseudo R ²	0.201	0.237	0.212
Sample Size	2060	2060	2060

Note: ***p<0.001, **p<0.05, *p<0.1; standard errors are in parentheses.

The regression results show that the coefficients of Industry all reach the 1% significance level, and the direction is consistent with the hypotheses: the financial industry tends to adopt the Income Method more, has stronger Parameter Subjectivity, and lower Data Verifiability; among the control variables, Asset_Structure is significant, but the core impact of industry attributes remains robust.

3.3.5. Empirical Conclusions

Listed companies in China have the problems of scattered selection of valuation technologies, strong Parameter Subjectivity, and weak Data Verifiability in the application of Level 3 inputs, and these problems are more prominent in the financial industry. This conclusion verifies the research hypotheses, provides data support for the subsequent cause analysis and optimization countermeasures, and also indicates that although factors such as asset structure and company size have an impact, industry attributes are the key variables.

4. CURRENT REQUIREMENTS AND PRACTICAL ISSUES FOR DISCLOSURE OF INPUT VALUE INFORMATION AT THE THIRD LEVEL

4.1. Current Standards for Disclosure of Input Value Information at the Third Level

Both international and domestic standards specify disclosure requirements for third level input values. IFRS 13 requires companies to disclose relevant fair value amounts, valuation techniques, key input values, sensitivity analysis, as well as the amounts and reasons for inter level transfers; China's CAS 39 fully adopts this requirement, and the "Interpretation of Enterprise Accounting Standards No. 14" further refines it, requiring disclosure of quantitative information on key parameters, the impact of parameter changes, and the reasons for valuation technology changes.

In addition, the China Securities Regulatory Commission's "Compilation and Reporting Rules for Information Disclosure of Companies that Offer Securities to the Public No. 15" requires listed companies to separately disclose the details of the third level measurement items in the notes to their financial statements, including ending balances, proportions, valuation methods, etc. The China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission have formulated special requirements for financial enterprises, requiring banks to disclose non-standard asset valuation policies and securities companies to explain the basis for determining the fair value of private equity investments. These standards construct a three-dimensional framework of "qualitative+quantitative+sensitivity analysis", aiming to enhance metrological transparency and assist users in evaluating reliability [8, 9].

4.2. Practical Issues Regarding The Disclosure of Input Value Information at the Third Level

Insufficient disclosure: Most companies only meet the minimum requirements of the standards, and core information is missing. The key details of valuation techniques, industry benchmarks and historical basis for parameter selection have not been fully disclosed, and the reasons for changes in valuation techniques are only briefly stated, making it difficult for users to judge their impact on fair value [10].

Vague disclosure statement: Some content is professionally obscure and lacks quantitative information, making it difficult for ordinary investors to understand. Sensitivity analysis does not clarify the fair value changes corresponding to parameter changes, and key parameter disclosures use vague expressions, which reduces the usefulness of information decision-making [11].

Poor comparability of disclosure: The standards do not specify the disclosure format and level of detail, resulting in significant differences in corporate disclosures [12]. Some are disclosed by asset category, while others are disclosed by measurement purpose. The level of detail in sensitivity analysis varies, making it difficult for investors to compare measurement quality horizontally.

Sensitivity analysis is merely a formality: most of them only focus on simple testing of a single parameter, without considering the impact of multi parameter linkage, and without disclosing the reasonable range of parameter changes. The analysis results lack practical reference value.

5. ANALYSIS OF THE CAUSES OF APPLICATION AND DISCLOSURE ISSUES OF THIRD LEVEL INPUT VALUES

5.1. The Principle Guidance is Too Strong and Lacks Practical Details

The provisions of IFRS 13 and CAS 39 on the third level input values are mainly principle oriented, lacking practical guidance: there is no clear valuation standard for assets in different industries, no clear method for determining key parameters such as discount rates, and no unified information disclosure format. Lack of basis in enterprise practice and reliance on subjective judgment of management have led to non-standard application and disclosure. The update of standards is lagging behind, and new assets such as digital assets require special measurement techniques and parameters. The current standards lack targeted guidance, and the application of traditional methods affects accuracy.

5.2. Insufficient Valuation Ability and Imperfect Internal Control of Enterprises

The application of input values at the third level requires professional valuation talents and improved internal control. Most enterprises in China, especially small and medium-sized enterprises, lack the ability. In terms of talent, valuation requires composite talents in finance, banking, and industry. The proportion of professional qualification personnel is low, and most of them are concurrently held by finance personnel. There is a lack of systematic training, making it difficult to cope with complex scenarios. In terms of internal control, some companies have not established relevant internal control mechanisms, and have not clearly defined valuation processes, parameter approvals, etc; Failure to regularly evaluate the effectiveness of valuation models makes it difficult to identify issues in a timely manner. Some companies have the motivation to engage in earnings management, adjust parameters to manipulate profits, and exacerbate irregularities [13].

5.3. Imperfect External Valuation Environment and Weak Support

The application of input values at the third level requires a unified valuation database, professional third-party institutions, and transparent market information support. However, there are shortcomings in China's external environment, such as a lack of industry benchmark databases, a lack of reliable references for enterprise parameter determination, and a scarcity of data in emerging industries; Third party institutions are immature, with some lacking qualifications and independence, resulting in inconsistent valuation results; The transparency of market information is low, and some asset trading data is not publicly available, which increases the difficulty of application.

5.4. Insufficient Regulatory Efforts and Inadequate Accountability Mechanisms

There is a problem of "emphasizing form over substance" in regulation, which only focuses on whether to disclose the requirements of the standards and lacks in-depth verification of authenticity and accuracy. Regulatory inquiries should focus more on changes in amounts and less on the reasonableness of valuation techniques; Audit institutions lack professional tools, making it difficult to effectively verify and relying on internal information of the enterprise. The accountability mechanism is not sound, and the punishment for non compliant enterprises is mostly minor, lacking severe punishment and civil compensation mechanisms. The cost of non-compliance for enterprises is low; There are differences in regulatory requirements, which increase the difficulty of compliance.

6. IMPROVE THE OPTIMIZATION PATH FOR THE APPLICATION OF INPUT VALUES AND INFORMATION DISCLOSURE AT THE THIRD LEVEL

6.1. Refine the Guidelines for Practical Operation, Clarify The Application and Disclosure Standards

Develop practical guidelines for different industries: The Ministry of Finance, in conjunction with industry associations, will provide special guidelines for financial and real estate industries, clarifying the valuation standards and key parameter methods and ranges for major assets, and reducing subjective judgments.

Unified information disclosure requirements: learn from the international experience based unified template, clarify the detailed disclosure and quantitative requirements, disclose the fair value, valuation technology, parameters and basis, sensitivity analysis by asset category, and standardize the disclosure of valuation technology changes.

Timely update guidelines: Accelerate the revision of guidelines for digital assets, green financial products, etc., clarify measurement and disclosure requirements, and respond to market demand.

6.2. Enhancing Enterprise Valuation Capability and Improving Internal Control

Cultivate professional talents: Enterprises introduce composite talents with professional qualifications and form valuation teams; Regularly conduct valuation training, strengthen cooperation with universities and institutions, and improve valuation levels.

Establish a sound internal control system: Establish a full process mechanism of "valuation approval review verification", clarify division of labor, regularly evaluate model effectiveness, and compare actual price optimization methods.

Constrained earnings management: Improve corporate governance, strengthen supervision by the board of directors and audit committee, incorporate measurement compliance into assessments, and publicly disclose the implementation of internal controls [14].

6.3. Optimize the External Valuation Environment and Build A Supporting System

Establish an industry valuation database: The Ministry of Finance takes the lead in building a unified database online, integrating industry benchmark data updates, covering both traditional and emerging industries, and making publicly available data.

Standardize third-party valuation institutions: strengthen supervision, establish qualification certification and practice standards, unify valuation standards, improve punishment for dishonesty, guide standardized practice, and encourage small and medium-sized enterprises to entrust professional institutions.

Improve the transparency of trading information: Improve the disclosure system, require trading venues to publicly disclose asset trading information, and industry associations to issue trading white papers for market reference.

6.4. Strengthen Regulatory Accountability and Improve Supervision Mechanisms

Establish multidimensional supervision: integrate regulatory resources, unify standards and collaboration, strengthen substantive verification, focus on valuation rationality, parameter basis, and disclosure authenticity.

Enhance audit professionalism: Require accounting firms to hire professional valuation auditors, develop specialized audit guidelines, clarify procedures, and promptly report violations.

Establish a sound disciplinary mechanism: increase penalties, impose fines, warnings and other measures on non compliant enterprises, establish a civil compensation mechanism, hold responsible persons accountable, and increase the cost of violations [15].

7. CONCLUSION

The third level input value is an important component of the fair value measurement system and plays a crucial role in asset liability measurement in the absence of an active market. Its application and disclosure quality directly affect the relevance, reliability, and transparency of financial reports. This article draws the following conclusions through systematic research:

Firstly, the core characteristics of the third level input values are unobservability, strong subjectivity, and dependence on valuation techniques. Their application scenarios are concentrated in complex financial instruments, investment real estate, intangible assets, and other projects. At present, Chinese enterprises present a pattern of "financial industry as the main industry and non-financial industry as the auxiliary" for its application, and the overall application level still needs to be improved.

Secondly, there are multiple problems in its practice: at the application level, there are difficulties such as inconsistent selection of valuation techniques, subjective parameter settings, insufficient data verifiability, and lack of professional competence; At the disclosure level, there are deficiencies such as insufficient content, vague expression, poor comparability, and sensitivity analysis being merely a formality. These issues stem from four aspects: standards, enterprises, markets, and regulation, and require multi-party collaboration to solve.

Finally, efforts need to be made from multiple parties to improve related work: the standard setting institutions should refine practical guidance, enterprises should enhance their valuation capabilities and internal control levels, the market should build a supporting system, and regulatory agencies should strengthen accountability. Through full chain optimization, subjectivity and arbitrariness can be reduced, measurement and disclosure quality can be improved, the usefulness of financial reporting decisions can be enhanced, and the healthy development of the capital market can be promoted.

The limitation of this study is that it does not combine specific industry case analysis. In the future, it can focus on application concentration areas such as finance and real estate, explore industry specific problems and countermeasures through case and empirical analysis, and continue to pay attention to standard updates and market changes to improve research results.

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