



Fair Value Measurement Issues in an Industrial Sector Entity in Sri Lanka

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ABSTRACT

This study explores the fair value measurement issues in an industrial sector entity in Sri Lanka. Our study is grounded on qualitative methodology and applies a single case study design. We employed semi-structured interviews and observations to collect data for this study. Interviewees from five plants of the selected entity participated in the interviews. The content analysis technique was used to recognize the codes and themes. Findings revealed that uncertainty, complexity, asset recognition, and valuation are some issues associated with fair value measurement in the selected entity. In addition, the study also found that some of the plants did not have a proper asset registry. Accordingly, developing a proper asset registry and updating it is recommended. Other recommendations include conducting impairment tests for machines, improving communication between accounting and machine operations and maintenance staff, and introducing a asset coding system. The study was carried out during the Covid-19 pandemic; hence the number of interviews and site visits had to be limited. This study contributes to the literature on accounting regulation related to fair value measurement by providing empirical evidence from an industrial sector entity in Sri Lanka.

Keywords: *Accounting regulation, Fair value, IFRS, SLFRS 13*