DETERMINATES OF FAIR VALUE MEASUREMENT OF BIOLOGICAL ASSET OF LISTED COMPANIES IN SRI LANKA

H.M.K.S. Kumara[1, *], W.P. Wijewardena[2] and P.R. Weerathunga[3]

[1, 2, 3]*Department of Accountancy and Finance, Faculty of Management Studies, Rajarata University of Sri Lanka*

*Corresponding author (Email: sampathkavishka29@gmail.com)

ABSTRACT

The primary objective of this study was to identify the determinants that influence the fair value measurement of biological assets in companies listed in Sri Lanka. The independent variables were the determinants of the fair value measurement of biological assets by firm size, auditor type, and ownership structure. In contrast, the dependent variable was the fair value of biological assets. This research utilized a quantitative approach and was conducted entirely using secondary data sources. This study selected 53 listed Colombo Stock Exchange (CSE) companies with biological assets. Data were collected from annual reports from 2018 to 2022. The data were entered into STATA -15 software and analyzed using Descriptive Analysis, Correlation Analysis, and Panel Regression Analysis. The results show that firm size significantly influences the fair value of biological assets. In addition, this study finds that ownership structure and auditor type have an insignificant influence on the fair value measurement of biological assets. This study focuses exclusively on listed firms in Sri Lanka, which may limit the generalizability of the findings. Future research could expand the scope to include unlisted firms or comparative studies across different countries to enhance the generalizability of the results and provide a more comprehensive understanding of fair-value measurement practices. The primary objective of this study is to identify the determinants that influence the fair value measurement of biological assets in listed companies in Sri Lanka. The independent variables were the determinants of the fair value measurement of biological assets by firm size, auditor type, and ownership structure. In contrast, the dependent variable was the fair value of biological assets. This research utilized a quantitative approach and was conducted entirely using secondary data sources. This study selected 53 listed Colombo Stock Exchange (CSE) companies with biological assets. Data were collected from annual reports from 2018 to 2022. The data were entered into STATA -15 software and analyzed using Descriptive Analysis, Correlation Analysis, and Panel Regression Analysis. The results show that firm size significantly influences the fair value of biological assets. In addition, this study finds that ownership structure and auditor type have an insignificant influence on the fair value measurement of biological assets. This study focuses exclusively on listed firms in Sri Lanka, which may limit the generalizability of the findings. Future research could expand the scope to include unlisted firms or comparative studies across different countries to enhance the generalizability of the results and provide a more comprehensive understanding of fair-value measurement practices.

***Keywords*:** Biological assets, fair value, auditor type, firm size, ownership structure.