

## The impact of fair value measurement on the quality of financial statements in the Algerian environment A field study

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**Summary:** This study aims to verify the availability of the Algerian environment for the requirements of the application of fair value and to highlight the impact of fair value on the quality of financial information through two main characteristics: relevance and reliability, using descriptive description. Through the questionnaire as a data collection tool.

The study reached several results, the most important of which are: The Algerian accounting environment provides the requirements for the application of fair value, there is a statistical significance between measurement at fair value and appropriateness, and there is a statistical significance between reliability and measurement at fair value.

**Keywords:** fair value, qualitative characteristics, quality of financial data, relevance, reliability.

**Jel Classification Codes :** M41

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### I-Introduction:

Accounting, like other sciences, has kept pace with technological and economic developments that occur at the global level by creating alternatives and accounting policies that enable it to achieve its functions. The measurement function faced many obstacles and challenges to achieve this. The problem is to choose the most appropriate alternative that provides reliable and appropriate information to users of financial statements.

The fair value appeared as an alternative and complement to the historical cost to fill the historical cost deficit and to give the quality of the financial statements through the presence of qualitative characteristics that contribute to giving reliable, appropriate, comparable and easy-to-understand information to its users.

According to the above info's, we pose the following problem:

What is the impact of fair value measurement on the quality of the financial statements in the institutions under study?

Through the main problem, the following questions can be formulated:

Does the Algerian environment provide the requirements for measurement according to fair value?

Does fair value affect the appropriateness of financial reporting?

Does fair value affect the reliability of financial reports?

**Study hypotheses:**

Hypotheses were formulated to answer the study questions by testing the following null hypotheses as a starting point:

The Algerian environment provides for measurement requirements according to fair value.

The fair value measurement affects the appropriateness of the financial reporting.

Measurement at fair value affects the reliability of financial reporting.

**Study objectives and importance:**

The study aims to identify the fair value and quality characteristics.

The extent to which the Algerian environment meets the requirements for applying fair value;

Recognize the effect of fair value on suitability;

Recognize the effect of fair value on reliability.

The researchers were able to identify a number of studies related to the topic of research, including:

**Study (Landsman, 2006):**

Fair Value Accounting for Financial Instruments Some Implications for Bank Regulation: It aims to identify whether accounting on the basis of fair value in banks is used to determine the regulatory capital in the bank in making its decisions, as he explained that the International Accounting Standards Authority mandated the recognition of all financial instruments at fair value. With the most important results, the fair value allows reducing the manipulation of assets for the management, and the fair value allows reducing the error when making investment decisions.

**A study (Fardinal 2013) entitled:**

The quality of accounting information and the accounting information system through internal control systems: a study on the Ministry and State Agencies in the Republic of Indonesia.

The aim of this study is to explain the effect of the effectiveness of the internal control system (general controls and application controls) on the quality of accounting information systems (ease of use, usefulness and use), and its impact on the quality of accounting. Information (appropriateness, accuracy and verification), and to achieve the objectives of the study the following problems were raised: Internal control over accounting information systems? What is the impact of internal control on the quality of accounting information? What is the impact of the quality of information systems on the quality of accounting information? To answer the problem posed, the descriptive approach was used through the questionnaire tool to collect information by following the method of random sampling. The results showed the dimensions and components of the internal control system, which are the main reasons for the weakness of the internal control systems of ministries and government agencies in the Republic of Indonesia.

**A study (Nikolaev, 2013) entitled:**

“Has the fair value accounting of financial assets passed the market test?”

This study aims to clarify the circumstances of the application of fair value accounting as an alternative to the historical cost model, so that this study reached a set of results, including: The application of fair value to non-financial assets such as buildings and equipment is less efficient for decision makers if compared to historical cost, and that the criteria for applying Fair value on non-financial assets such as buildings and equipment is less efficient for decision makers. Financial reports provided an advantage that the standards that preceded them did not provide, as they allowed companies to choose between the historical cost and the fair value of non-financial assets, while obligating consistency in the disclosure of the accounting policy used.

**Study (Eluyela, 2020) entitled:**

Fair Value Accounting and Corporate Reporting in Nigeria: A Logistic Regression Approach.

This study aims to measure the impact of fair value measurement on the financial statements of Nigerian companies through the questionnaire tool, where 120 forms were distributed and the

descriptive approach was used with analysis. The study concluded that the use of fair value helped in predicting profits, evaluating amounts, timing and uncertainty of cash flows. In reporting companies that rely on their credibility, institutional factors played a major role in enhancing the reliability of estimated fair value estimates, which in turn increased accounting informational information in corporate reports.

**Study: (Amaefule, 2021)**

Historical Cost Accounting vs. Fair Value Accounting Comparative Impact on Profitability: Evidence from Nigeria Adapted from Manufacturing Companies

This study aims to examine the impact of historical cost accounting (HCA) and fair value accounting (FVA) practices on the profitability of listed manufacturing companies in Nigeria. Industry Quoted The study concluded that there is ambiguity in the interpretation of the instrument conveying the principles, recommendations and application of the fair value accounting method, and this has given rise to many arbitrary and conflicting interpretations - particularly as it fits the overall body of the report, based on the foregoing. The study recommends that accounting institutions and agencies should continue to deal with government agencies and system operators in addressing the problem of expansion in order to provide a sustainable solution.

**A study (AlaaMalo Al Ain 2021) entitled:**

Measuring the impact of international financial reporting standards on the quality of accounting performance and the efficiency of investment decisions. This study aimed to verify the impact of the adoption of International Financial Reporting Standards (IFRS) on the quality of accounting and the efficiency of investment decisions in the Saudi business environment. The content analysis approach was adopted to examine the annual reports of Saudi companies listed on the Saudi stock market during two periods: International Financial Reporting Standards during 2016 and after the adoption of the International Financial Reporting Standards period during the period 2017-2018, the study concluded that there is a positive impact of International Financial Reporting Standards. Financial reporting standards of accounting quality, as they were positively correlated with both the qualitative characteristics of information and the preservation of accounting, while it was negative, with regard to profit management, IFRS also improves the efficiency of investment decisions, as it was positively correlated with both profit. Quality and liquidity, meanwhile, were negatively correlated with the cost of capital. Accounting performance, as it was positively correlated with both information quality and accounting accounting characteristics, while it was negatively related to earning management, IFRS also improves the efficiency of investment decisions, as it was positively correlated with both profit quality and liquidity while it was negatively correlated at the cost of capital.

**I.1.Entering the fair value:**

Fair value is among the most important measurement alternatives that have come to cover historical cost gaps. In this section, we will discuss the fair value definition of fair value measurement methods.

**Concept of fair value:**

According to the International Accounting Standards Committee in IAS 39, fair value is “the value at which an asset could be exchanged or a liability settled between knowledgeable, willing parties operating under normal market conditions. (Yader, 2016)

It is also defined as “that amount by which an asset is sold or purchased in a genuine exchange transaction between knowledgeable parties willing to exchange apart from liquidation conditions and, in turn, the fair value of a liability is the value which is receivable or the amount to be paid through the transaction process. Reciprocity between the parties involved, except for the effect of liquidation.” (Allawi, 2014)

The Financial Accounting Standards Board (FASB) in its Standard No. 157 introduced a comprehensive concept of fair value, defining it as “the price that would be received to sell an asset

or paid to pay a liability in an orderly transaction between market participants at the measurement date.” (Financial Accounting Standards Board, 2006)

According to the definition of FAS 157, the measurement date means that the fair value should reflect the market conditions at the balance sheet date, while the market participants are the buyers and sellers in the market who will get the most benefit from the assets and liabilities and who should be. They have the following characteristics: they are independent of each other, they have knowledge and know-how, they are fully aware of the investment decision and about the assets or liabilities that are the subject of the exchange, they have the ability to complete the transaction, they have the complete and independent desire and desire to make the transaction, an active market means a market that increases the amount to the max

The asset is expected to be sold or the amount to be paid for the transfer of the liability is reduced, and structured transaction means the presentation of assets and liabilities within a sufficient period of time for all parties to know and market them. (Volha, 2010)

It has been defined as “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 when quoted prices in active markets for similar assets or liabilities are available.” (Luz, 2009)

From the previous definitions, we derive the following definition:

Fair value: The declared value of an asset in an active financial market.

#### **Methods for determining fair value:**

There are many methods and techniques that can be used to express fair value. These methods differ in the methods of calculation, but they may converge in the results, and the most important of these methods are: (Amara 2014)

#### **Adjusted historical cost:**

Where this method is called the general purchasing power approach, and this approach is based on recording assets, liabilities, income and expenses in the units of measurement with the same purchasing power, and therefore the unit of measurement must be standardized while maintaining the same basis for the measurement used in the financial statements such as the historical cost, where the data is prepared Financial at the end of the accounting period on the historical cost, then adjusted by the general price index. The amount of profit of the project is the amount that can be distributed to the shareholders or owners after maintaining the purchasing power of the invested capital.

#### **Replacement cost:**

Means the value of the fixed asset paid during the replacement period of the asset. This cost is often the asset's present value when estimated.

It was also defined as: the current entry price, the amount of cash or what it represents to be paid in order to obtain an asset similar to the current asset, that is, the current market price, but it raised controversy among accountants about the phrase similar assets as several meanings appeared.

Replacement cost of used assets: The amount of cash required to obtain a similar asset from the market for used assets, which has the same useful life as the current asset, is reduced.

Cost of Reproduction of Similar Asset:

It means the cost that can be incurred by the enterprise to produce a new asset, and everyone focuses on the concept of replacement cost.

#### **Cost of new assets:**

It is the cost of replacing the productive capacity of an asset as it reflects the effect of technological change. The International Accounting Standards Board (IASB) has adopted these three methods of present value, to evaluate the assets of the enterprise under the concept of fair value, where the process of valuing each asset is carried out in the manner that seems appropriate when preparing the final accounts.

### **Selling value, current exit prices:**

It expresses the selling price of the asset now minus the expenses of disposal instead of the cost of replacing it or the cost of its original acquisition. It is wrong with this method that the institution acquired the asset not for the purpose of reselling it, but to use it in the production process, as well as the absence of organized markets for many The elements of the assets so that the market value of them can be estimated in an objective way.

In the event that it is not possible to estimate this value directly through market prices, one of these two alternatives is usually relied upon:

The use of special price indices, calculated either by independent external bodies or by the institution;

Use professional experience in estimation.

- The present value of future cash flows (economic value): the value of an asset or a group of assets is determined on the basis of the value of the cash flows received or out of the institution because of this asset or because of the group of assets. The present value is measured by discounting the net future cash flows using a realistic interest rate, as this method is based on the basic idea that income is a tool for measuring the value, which is what many economists have advocated as they revealed that the value of the asset depends entirely on the future net communicators resulting from the use of the asset Then, the results of the asset are looked at, not the asset itself.

### **Conditions of its application: (Agha 2013)**

- Availability of ready-made and effective financial markets so that companies are able to measure fair value efficiently and effectively.
- Availability of qualified personnel to deal with fair values.
- Availability of laws and legislations that contribute to controlling the ethics of corporate administrations that apply fair value standards, so that they take the spirit of half of the standard and not just half of it.
- That the exchange process takes place completely freely and without pressure and that there are no abnormal conditions such as liquidation, bankruptcy or probabilistic circumstances.
- That the transaction takes place between unrelated and independent parties, each working to achieve the greatest benefit for them.
- Recognition, measurement and disclosure in the accounting treatment of financial operations, agricultural products and real estate investments

## **I. 2. The quality of the financial statements:**

### **The concept of quality of financial statements:**

Determining the objectives of the financial statements is the starting point in applying the accounting information utility approach in rationalizing the decisions of the main external beneficiaries. That is, good information is the most useful information in the field of rationalizing decisions. The concepts of information quality mean those characteristics that should be characterized by useful accounting information. These characteristics are of great benefit to both those responsible for setting appropriate standards and those responsible for preparing financial reports in evaluating the quality of information that results from the application of alternative accounting methods and methods.

### **Qualitative characteristics of the financial statements:**

**First:** Relevance: It means that the information is closely related to the decisions taken. Appropriate information is that information that influences the behavior of economic decision-

makers by helping to evaluate past, present and future events. It is related to the relative property, and has three sub-properties:

**Predictive value:** means the value of information as a basis for forecasting the cash flows of the organization or its willpower.

**Feedback value:** The extent to which the decision maker can rely on modifying his previous expectations.

Appropriate timing: that is, linking the appropriateness of information to the decision-maker with the timing of its delivery to him, because the delivery of information to the decision-maker at the wrong time loses its impact on decision-making. Thus, it lacks its intended benefit (*Nawal, 2016*).

So, the reliability characteristic is related to the integrity and reliability of information, and this characteristic consists of three sub-characteristics:

**Verifiability (objectivity):** means the ability to reach the same results by those responsible for the accounting measurement if the same measurement methods are used.

**Honesty in expression:** It is intended to represent the accounting information of the practical reality that reflects the economic events and financial transactions practiced by the accounting unit, i.e. the representation of financial reports with the truthfulness of their content (essence) and not. Just a representation of its form only (the precedence of matter over form).

**Second: Reliability:** It means, according to Statement No. (2) issued by the Financial Accounting Standards Board (FASB), the property of information to ensure that information is free from errors and bias to a reasonable degree, and that it faithfully represents what it claims to represent.

**Impartiality:** Accounting information has the characteristic of impartiality, if it is free from any bias by measuring results, or presenting it in a way that does not exceed the interests of a certain category of users of financial statements at the expense of other users. Therefore, relevance and reliability are the two basic features that must be available in accounting information in order to be of high quality, but there is a possibility of a conflict between these two characteristics as a result of the application of some accounting methods and policies. In accounting information versus more relevant information. (*Rahman, 2011*)

## II- Methods and Materials:

### Presentation of the results of the field study:

In this element, we will discuss illustratively the methodology used in the study, which contains data collection methods, study methodology and definition, in addition to the tests of the study tool, the target study population and sample, its actual answer, the statistical methods used in data analysis and hypothesis testing, as well as analyzing the demographic characteristics of the sample.

### **Study Population and Sample:**

87 forms were distributed and 80 forms were received, representing 92% of the total distributed forms, as the number of non-received forms reached 7, representing 8% of the total distributed forms.

### Distribution of the sample according to the job:

In our selection of the field study community, care was taken to ensure that its interviewed members have sufficient knowledge of the topic and have scientific and practical experience. The study included the regions of Ouargla and HassiMessaud, and the selected sample is represented in **Table No. (02)**:

Through the descriptive analysis of the distribution of the sample members in relation to the job level of the members of the study sample, we note that the percentage of an accountant in an economic institution is the highest, reaching 47.5%, followed by a sample of account portfolios at 27.7%, while the percentage of a certified accountant is 17.5%, followed by a sample of an expert accountant at 7.3%. %.

### Distribution of sample individuals according to professional experience

The sample was divided into three categories in order to know the percentage of experience they had, and they were close in distribution. **Table No. (03)** Was obtained: the distribution of the sample members according to years of experience.

Through the descriptive analysis of the distribution of the sample individuals in relation to the data, and the number of years of experience of the study sample, we find that the percentage of experience for more than 10 years is the highest at 47.5%, followed by between 5 and 10 years 32.5% and less than 5 years 20%.

### The results of the field study presented the requirements for applying fair value

In **Table No. (04)** That shows the conclusions reached regarding the first pillar questions of the questionnaire related to the requirements of applying the fair value.

Through the total arithmetic mean of the vertebrae of the axis, which amounts to 2.1025?

We notice that the trend of this sample is positive, and this is explained by the standard deviation 0.78475.

The Algerian accounting environment provides an accumulation of knowledge for accountants that contributes to the activation of personal appreciation: 52% of the respondents showed their agreement that the Algerian accounting environment provides an accumulation of knowledge for accountants that contributes to the activation of the personal estimate, where the arithmetic mean and the standard deviation of the answers were 2.30 and 0.823.

Accordingly, while 23% expressed their disagreement with this, which indicates that the sample trend is neutral, the Algerian accounting environment provides an accumulation of knowledge for accountants that contribute to activating personal appreciation.

The Algerian accounting environment contains cadres who can apply the fair value: 60% of the respondents showed their agreement that the Algerian accounting environment has cadres who can apply the fair value, where the arithmetic mean and the standard deviation of the answers were 2.48 and 0.716 respectively, while 12.5% showed no Their agreement to that, which indicates that the direction of the sample agrees that the Algerian accounting environment is available to accumulate knowledge of accountants that contributes to the activation of personal appreciation.



The Algerian accounting environment contains laws and regulations that enable it to apply the fair value: 50% of the respondents showed their agreement that the Algerian accounting environment contains laws and regulations that enable them to apply the fair value, as the arithmetic mean and standard deviation of the answers were 2.15 and 0.921 respectively, while 35% showed their disagreement with this, which indicates that the sample trend is neutral, provided that the Algerian accounting environment provides an accumulation of knowledge for accountants that contributes to the activation of personal appreciation.

The Algerian accounting environment contains effective financial markets that enable them to apply the fair value: 10% of the respondents showed their agreement that the Algerian accounting environment contains effective financial markets that enable them to apply the fair value, where the mean is

The standard deviation of the answers is 1.48 and 0.679, respectively, while 62.5% showed their disagreement with that, which indicates that the sample trend does not agree with the Algerian accounting environment having effective financial markets that enable it to apply the fair value.

### **View study results**

#### **Fair value positively affects the relevance of the financial statements:**

Table No. (06) Shows the results that were reached regarding the second pillar questions of the questionnaire, related to the positive effect of fair value on the relevance of the financial statements.

Through the total arithmetic mean of the axis paragraphs, which amounts to 2.4625, we notice that the trend of this sample is positive, and this is indicated by the standard deviation of 0.6595.

Provides fair value financial information used as an input to predict various events in the organization: 57.5% of respondents showed their agreement on the availability of fair value financial information used as input to predict various events in the organization, where the arithmetic mean and standard deviation of the answers were 2.4625 and 0.6595 respectively, while the 15% of their disagreement with that, which indicates that the sample trend is in agreement with the availability of fair value financial information used as an input to predict various events in the organization.

Availability of fair value financial information that contributes to identifying deviations in the decisions taken: 45% of respondents showed their agreement on the availability of fair value financial information that contributes to identifying deviations in the decisions taken, as the arithmetic mean and standard deviation of the answers reached 2.33 and 0.694, respectively, while 15% showed their disagreement with this indicates that the sample trend is neutral regarding the availability of fair value financial information that contributes to identifying deviations in the decisions taken.

The fair value provides financial information commensurate with the dates of presentation of the financial statements stipulated in the financial accounting system: 52.5% of respondents showed their agreement on the availability of fair value financial information commensurate with the dates of presentation of the financial statements stipulated in the financial accounting system, where the mean and deviation were The standard answers of 2.48 and 0.599 respectively, while 5% showed their disagreement with that, which indicates that the sample trend is in agreement with the



availability of fair value financial information that contributes to identifying deviations in the decisions taken.

The fair value contributes to improving the information of the interim financial statements: 65% of the respondents showed their approval of the fair value contribution to improving the information of the interim financial statements, where the arithmetic mean and the standard deviation of the answers were 2.6 and 0.6595, respectively, while 5% showed their disagreement. This indicates that the sample trend is in agreement with the fair value contributing to improving the information of the interim financial statements.

The fair value adversely affects the reliability of the financial statements

**Table No. (07)** Illustrates the results that were reached regarding the questions of the first pillar of the questionnaire, concerning the fair value negatively affecting the reliability of the financial statements.

Through the total arithmetic mean of the axis vertebrae, which amounts to 2.47, it is noticed that the trend of this sample is positive, and this is indicated by the standard deviation of 0.6815.

The fair value provides financial information of general presentation: 52% of the respondents showed their agreement on the availability of fair value financial information of general presentation, where the arithmetic mean and the standard deviation of the answers were 2.35 and 0.770, respectively, while 17.5% showed their disagreement with that, which shows The sample trend is in agreement with the availability of fair value financial information of general presentation.

The fair value provides verifiable financial information: 70% of respondents showed their agreement with the availability of fair value financial information that can be verified, with the arithmetic mean and standard deviation of the answers 2.65 and 0.580, respectively, while 5% showed their disagreement. This indicates that the sample trend is in agreement with the availability of fair value financial information that can be verified.

The fair value provides reliable financial information: 60% of the respondents showed their agreement that the fair value provides financial information that enjoys sincerity, where the arithmetic mean and the standard deviation of the answers were 2.53 and 0.640, respectively, while 7.5% showed their disagreement, which indicates that The sample trend is in agreement with the availability of fair value for reliable financial information.

The fair value provides neutral financial information: 50% of the respondents showed their approval of the availability of fair value for neutral financial information, where the arithmetic mean and the standard deviation of the answers were 2.35 and 0.736, respectively, while 15% showed their disagreement with this, which indicates that the trend of the sample Agree that fair value is available for neutral financial information.

Analysis of the results:

The Algerian environment provides requirements for the application of fair value

There is a statistically significant effect of measuring fair value on improving the relevance of financial reporting.

There is a statistically significant effect on improving the reliability of financial reports.

By analyzing the results of the study silverware test, we reached the following conclusions:

As for the first hypothesis, which states that the Algerian environment provides the requirements for the application of fair value, if the Algerian environment through statistical analysis provides the most important elements of assistance in the application of fair value, as the respondents have an understanding? The term fair value and the circumstances of its use, as well as the physical components of the measurement.

- Regarding the second hypothesis, titled "*Fair value affects the appropriateness of financial reporting*", we realized through this hypothesis that there is an effect of fair value measurement and appropriate ethical investigation procedures in financial reporting, similar to the timeliness and appropriateness of forecasting processes and useful in correcting past decisions .

- As for the third hypothesis related to the impact of fair value on the credibility of financial reports, this hypothesis was achieved through the contribution of the application of fair value in achieving the procedures of sub-characteristics of reliability such as credibility, impartiality and relativity. Importance.

### **III- Results and discussion:**

As for the first hypothesis, which states that the Algerian environment provides the requirements for the application of fair value, if the Algerian environment through statistical analysis provides the most important elements of assistance in the application of fair value, as the respondents have an understanding. The term fair value and the circumstances of its use, as well as the physical components of the measurement.

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- As for the third hypothesis related to the impact of fair value on the credibility of financial reports, this hypothesis was achieved through the contribution of the application of fair value in achieving the procedures of sub-characteristics of reliability such as credibility, impartiality and relativity. Importance.

### **IV-Conclusion:**

Through this study we seek to know the fair value and its impact on the quality of financial information, the aim of which was to know the possibility of applying fair value in the Algerian accounting environment and the effect of fair value on the reliability and suitability characteristics from the viewpoint of professionals, after Algeria made reforms in the accounting field to keep pace with the global pace Which advocates the application of fair value as an alternative and complement to measurement.

### - Appendices:

**Table No. (01) Shows the number of distributed questionnaires received and not received**

Statement	the number	percentage%
The distributed resolution	87	%100
Questionnaire received	80	%92
The questionnaire is not received	7	%8

**Source: Prepared by researchers spss**

**Table No. (02): shows the sample distribution by function of the sample**

Characteristics of the sample	Variable type	Repetition	percentage
<b>Occupation</b>	Account portfolios	<b>22</b>	<b>27.5%</b>
	Accountant expert	<b>6</b>	<b>7.5%</b>
	Certified Accountant	<b>14</b>	<b>17.5%</b>
	Accountant in an economic institution	<b>38</b>	<b>47.5%</b>
	<b>Total</b>	<b>80</b>	<b>100%</b>

**Source: Prepared by researchers spss**

**Table No. (03) Shows the distribution of the categories according to the sample's professional experience**

Characteristics of the sample	Categories	Repetition	percentage
<b>Professional Experience</b>	Less than 5 years	16	%20
	Between 5 and 10 years	26	%32.5
	More than 10 years	38	%47.5
	<b>Total</b>	<b>80</b>	<b>%100</b>

**Source: Prepared by researchers spss**

**Table No. (04) Represents the description of the answers of the first axis**

Statement	the scale	OK	neutral	not agree	SMA	standard deviation	Direction
The Algerian accounting environment provides an accumulation of knowledge for accountants that contribute to the activation of personal appreciation.	Repetition	41	20	18	2.2625	0.823	Neutral
	Rate	52%	25%	23%			
The Algerian accounting environment has cadres that can apply the fair value.	Frequency	48	22	10	2.48	0.716	Successful
	The percentage	60%	27.5%	12.5%			
The Algerian accounting environment has laws and regulations that enable it to apply fair value.	Frequency	40	12	28	2.15	0.921	neutral
	The percentage	50%	15%	35%			
The Algerian accounting environment has effective financial markets that enable it to apply fair value.	Frequency	16	22	50	1.48	0.679	Unsuccessful
	The rate	10%	27.5%	62.5%			
The overall average of the first axis					2.1025	0.78475	neutral

**Source: Prepared by researchers spss**

**Table No. (05) Represents the description of the answers of the second axis**

Statement	the scale	OK	neutral	not agree	SMA	standard deviation	Direction
Fair value provides financial information that is used as an input to forecast various events in the organization	Repetition	<b>46</b>	20	<b>21</b>	2.44	0.754	ok
	Rate	57%	25%	15%			

. The fair value provides financial information that helps identify deviations in the decisions taken	Frequency	36	34	10	2.33	0.694	neutral
	The percentage	45%	42.5%	12.5%			
The fair value provides financial information commensurate with the dates of presentation of the financial statements stipulated in the financial accounting system	Frequency	42	34	42	2.48	0.599	ok
	The percentage	52.5%	42.5%	5%			
The fair value contributes to improving the interim financial statement information	Frequency	52	24	4	1.48	0.679	ok
	The rate	65%	30%	5%			
Overall average for the second axis					2.4625	0.6595	ok

Source: Prepared by researchers spss

Table No. (07) Represents the description of the answers of the third axis

Statement	the scale	OK	neutral	not agree	SMA	standard deviation	Direction
Fair value provides financial information that is publicly presented	Repetition	<b>46</b>	20	<b>21</b>	2.44	0.754	ok
	Rate	57%	25%	15%			
Fair value provides financial information that can be verified	Frequency	36	34	10	2.33	0.694	neutral
	The percentage	45%	42.5%	12.5%			

Fair value honest information provides financial	Frequency	42	34	42	2.48	0.599	ok
	The percentage	52.5%	42.5%	5%			
Fair value neutral information provides financial	Frequency	52	24	4	1.48	0.679	ok
	The rate	65%	30%	5%			
Overall average for the third axis					2.4625	0.6595	ok

Source: Prepared by the researcher spss

Table No. (08) Represents the statistical analysis of the sample

The premise	F computed	Level of morale	the decision
First	0.749	0.530	acceptance of the hypothesis
The second	2.014	0.129	acceptance of the hypothesis
Third	0.751	0.403	acceptance of the hypothesis

Source: Prepared by the researcher

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