

## **Impact of Challenges in Fair Value Measurement in Biological Assets on Financial Information from auditors' perception**

**Jayawardana, W.M.S.S.<sup>1</sup> and Dr. Munasinghe, M.A.T.K.<sup>2</sup>**

*<sup>1</sup>sajaniwms@gmail.com; <sup>2</sup>amila@kln.ac.lk*

### **Abstract**

Agriculture is the key contributor to the Gross Domestic Production in Sri Lanka. This study investigates the impact of challenges in fair value measurement in biological assets on financial information from auditors' perceptions in Sri Lanka. Related prior studies have found mixed empirical evidence about the challenges in fair value measurement of biological assets. The findings of this study provide a better understanding of the challenges of measuring the fair value of biological assets and their impact on a company's financial information. Accordingly, the purpose of this study is to identify the effect of challenges in fair value measurement of biological assets on financial information. This study uses auditors' perceptions to identify the challenges of fair value measurement of biological assets and those effects on financial information. A sample of 70 responses uses to achieve the research purpose. Descriptive and inferential statistics will be applied in data analysis. The findings of the study will provide useful insights for accounting regulators in assessing whether financial information will be affected by the challenges that arise when measuring fair value. Furthermore, the results will be of interest to accounting professionals, accounting developers, and investors.

**Keywords:** Auditors' Perception, Biological Assets, Challenges, Fair value measurement, Financial Information