

Investment property measurement at fair value in the financial statements

Kulikova L., Samitova A., Aletkin P.

Kazan Federal University, 420008, Kremlevskaya 18, Kazan, Russia

Abstract

© 2015, MCSER-Mediterranean Center of Social and Educational Research. The paper investigates the problems of the applicability of the investment property measurement at fair value for financial reporting purposes by Russian companies. Based on the analysis of the annual consolidated financial statements of bank institutions in Russian Federation, compiled by international standards, we find that most of the companies applied valuation of investment property at fair value. Our findings also indicate that most of the companies address to independent appraisal for investment property measurement at fair value using market approach. In our research we examined different techniques to investment property measurement based on the income capitalization approach and discounted future cash flows. This allows to accumulate the information about the fair value of investment property for the purposes of financial statements compilation.

<http://dx.doi.org/10.5901/mjss.2015.v6n1s3p401>

Keywords

Fair value, Historical cost, Income approach, Investment property, Market approach