CONSIDERATIONS REGARDING THE FAIR VALUE IN AGRICULTURE

Ionel BOSTAN

“Ștefan cel Mare” University of Suceava, Faculty of Economic Science and Public Administration, ionel_bostan@yahoo.com

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SUMMARY

The world economic frame has gone in the last years through an inevitable and irreversible transformation process. The main directions of these changes are pointed towards the globalization of the markets, the technologic progress, the informational and communication system, the extension of the EU borders and towards a series of reforms from the social and financial area that have made this reference context more and more complex and instable. [1] These new modifications have transformed the borders of the markets, canceling both the physical and geographical distances as well as the commercial and financial barriers, allowing the free movement of goods, services, capitals and information.[3] The fair value, as it is treated in other accounting standards, will have to be an important element for the users of the financial statements that concerns the presentation of the key elements used in its determination but also the consistency of these elements from one financial year to another.[5] Estimating the rate of the bringing up to date and the estimation techniques used for the determination of the volume of the agriculture assets, can have a significant impact on the level of the fair value.[3] IAS 41 does not contain explicit information regarding how often the assessment of the biological assets should be done.[2], As a general rule, IAS 41 – Agriculture- establishes the assessment of the agriculture assets at the value less the estimated point-of-sale costs, only in exceptional situations (initial recognition), the agriculture assets are assessed at cost less cumulated depreciations and any loss from the cumulated losses that could be considered as an alternative accounting treatment.[6], [4]

REFERENCES

6. xxx., 2005, International Accounting Standard, Editor CECCAR.