

Accounting Information about Fair Value in Thai Property Funds

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บทคัดย่อ—มาตรฐานการบัญชีกำหนดให้ข้อมูลทางการบัญชีที่นำเสนอในงบการเงินทั้งสินทรัพย์และหนี้สินหลายรายการ โดยเฉพาะเครื่องมือทางการเงินให้แสดงด้วยมูลค่ายุติธรรม ด้วยความตั้งใจว่ามูลค่ายุติธรรมจะช่วยให้ข้อมูลทางการบัญชีเป็นประโยชน์แก่ผู้ใช้ข้อมูลในการตัดสินใจเนื่องจากเป็นมูลค่าที่เป็นปัจจุบัน อย่างไรก็ตาม ในการศึกษาที่ผ่านมา มีทั้งฝ่ายที่สนับสนุน และไม่สนับสนุนความเชื่อดังกล่าว และยังมีคำถามเกี่ยวกับเชื่อถือได้ซึ่งเกี่ยวกับการได้มา วิธีการในการกำหนดมูลค่ายุติธรรมและการตรวจสอบ ดังนั้น การศึกษาครั้งนี้จึงมีวัตถุประสงค์ที่จะศึกษาสถานะของมูลค่ายุติธรรมในกองทุนรวมอสังหาริมทรัพย์ที่จดทะเบียนในตลาดหลักทรัพย์ของประเทศไทย และอีกวัตถุประสงค์คือศึกษาความสัมพันธ์ของมูลค่ายุติธรรมของเงินลงทุนในอสังหาริมทรัพย์ กับราคาของหน่วยลงทุนแต่ละช่วงเวลา เพื่อศึกษาว่าการเปลี่ยนแปลงของมูลค่ายุติธรรมมีผลต่อการเปลี่ยนแปลงของราคาของหน่วยลงทุนหรือไม่ การศึกษาครั้งนี้เลือกศึกษากลุ่มตัวอย่างที่เป็นกองทุนรวมอสังหาริมทรัพย์ที่จดทะเบียนในประเทศไทย ทั้งหมด ระหว่างปี พ.ศ. 2552 ถึง พ.ศ. 2556 จำนวน 39 กองทุน ซึ่งมีจำนวนงบการเงิน 138 งบ แม้จะจำกัดในเรื่องจำนวนของกลุ่มตัวอย่างแต่เป็นกลุ่มตัวอย่างที่มีลักษณะเฉพาะคือกองทุนนี้มีสินทรัพย์ที่สำคัญคือเงินลงทุนในอสังหาริมทรัพย์ที่จะต้องปฏิบัติตามมาตรฐานการบัญชีฉบับที่ 106 ซึ่งกำหนดให้เงินลงทุนในอสังหาริมทรัพย์ต้องบันทึกด้วยมูลค่ายุติธรรม และการรับรู้ผลกำไร(ขาดทุน) ที่เกิดจากการตีราคาเป็นมูลค่ายุติธรรมจะรับรู้ทันทีในงวดบัญชีที่มีการตีราคาให้เป็นมูลค่า

ยุติธรรม ผลจากการศึกษาพบว่า 68.12% ของงบการเงินของกองทุนอสังหาริมทรัพย์ ไม่ได้เปิดเผยรายชื่อของผู้ประเมินราคาอิสระ และ 55.80% เป็นงบการเงินที่ได้รับการตรวจสอบโดยสำนักงานบัญชีที่เป็นระดับ Big-4 ในขณะที่ 44.2% ได้รับการตรวจสอบโดยสำนักงานที่ไม่ใช่ระดับ Big-4 และ 31.88% มีการเปิดเผยรายชื่อของผู้ประเมินราคาอิสระ มูลค่ายุติธรรมของเงินลงทุนในอสังหาริมทรัพย์ถูกกำหนดโดยผู้ประเมินราคาอิสระ โดยเกือบทั้งหมดใช้วิธีรายได้ (Income Approach) คิดเป็น 96.38% และพบว่าบริษัท Brooke Real Estate Company Limited เป็นผู้ประเมินราคาอิสระที่มีการว่าจ้างมากที่สุด สำหรับผลการศึกษาความสัมพันธ์ของมูลค่ายุติธรรมของเงินลงทุนในอสังหาริมทรัพย์กับราคาของหน่วยลงทุนพบว่าความสัมพันธ์ของมูลค่ายุติธรรมของหน่วยลงทุนกับราคาของหน่วยลงทุน ณ วันสิ้นไตรมาสที่สองของปีถัดไปมากกว่าราคา ณ วันสิ้นไตรมาสของปีที่มีการตีราคาและมากกว่าราคา ณ วันสิ้นไตรมาสที่หนึ่งของปีถัดไป ผลการศึกษาครั้งนี้จะใช้เป็นหลักฐานที่ผู้ใช้ข้อมูลในงบการเงินสามารถใช้ประกอบการตัดสินใจในการพิจารณาความเชื่อถือได้ของสารสนเทศทางการบัญชีของกองทุนรวมอสังหาริมทรัพย์ของไทย

คำสำคัญ: สารสนเทศทางการบัญชี มูลค่ายุติธรรม กองทุนรวมอสังหาริมทรัพย์ ผู้ประเมินราคาอิสระ สำนักงานสอบบัญชี

Abstract— The accounting information about assets and liabilities were required by the accounting standard presented in fair value especially the financial instruments such as investment in securities and investment in property since believing that fair value was useful value for financial statement's users making decisions because

the fair value was the current value. However, there were supporting and against evidences for fair value and included fair value was questioned about the reliability that related to the deriving of the fair value, the valuation techniques used and the reviewing of that value. This study aimed to investigate fair value status in Thai property funds (PFUND) listed in the Stock Exchange of Thailand and to study the association of fair value of investment in property and the unit fund price. This study was based on Thai property funds during the years 2009-2013. The sample data were 39 funds for a total observation of 138 financial statements. Although, the number of sample data was limited, the fair value accounting information of Thai PFUND was very specific. The major asset was the investment in property that was required by Thai Accounting Standard 106 to recognized at fair value and the unrealized gains or losses would recognized in the income statement of the current year. The research results found that the fair value status in Thai PFUND that was used to value the investment in property derived from the independent appraisers. There was 68.12% of the appraisers' names were disclosed in the notes of the financial statements. All of the financial statements that were audited by three of Big-4 firms did not disclosed the appraisers' names whereas the 31.88% of the financial statements did not audit by not a Big-4 firm disclosed the appraisers' names. The income approach was the most valuation techniques that was used by the independent appraisers (96.38%). Brooke Real Estate Company Limited was the most independent appraiser that was hired by the Thai PFUND. For the second objective, this study found that the association between the fair value of investment in property and the unit fund price at the end of the second quarter of the next year was more than the association between the fair value of investment in property and the unit fund price at the end of the current year and the association between the fair value of investment in property and the unit fund price at the end of the first quarter of the next year. The results of this study could assist the financial statements' users to value the reliability of the accounting information in Thai PFUND.

Keywords-component; accounting Information, Fair value, Property funds, Independent Appraiser, Auditing Firms

I. INTRODUCTION

Accounting information was the result from the Accounting Information System (AIS). AIS was the process of accumulating the accounting data and reporting on accounting information. The accounting information was about the financial position, performance, and cash flows of a business that presented in the financial statements. The accounting information in the financial statements derived from the accounting data that could be measured with historical cost, current cost, net realizable value, present value and fair value. The increasing of fair

value accounting has been regarded by significant portion of academics, practitioners and especially the standard setters as a revolutionary approach to aid investors' decision making abilities since it presents the current value of the assets. Fair value was required by Thai Accounting Standard 106 (TAS106) to recognize the investment in property of Thai property funds (Thai PFUND) at the end of the fiscal year. However, there were various methods for fair value measurement. This study aimed to investigate the status of fair value in Thai PFUND: how fair value used, who prepared and which technique used to determine fair value. In addition, supporters of fair value claimed that fair value "better reflects the true underlying economic condition of a firm" [1] and accounting information was hypothesized to be value if it conveys information for investor and ultimately causes the stock price to change therefore the second objective was the investigation of the association of fair value for fund price responsiveness. This study was organized as follows i.e., after introduction, section 2 presented the review of literature. Methodological framework and sample data source explained in Section 3. Results discussed in Section 4. Final section concluded the study.

II. REVIEW OF LITERATURE

A. Accounting information: Fair value

Ball and Brown [2] argued that investors were interested in the use of accounting information especially the accounting income numbers for investment decisions and the outcome of the investment decision reflected in security prices. In recent years, fair value has been expanded to use as a measurement basis for financial reporting, even as the debate over its usefulness to stakeholders continues. Fair Value Accounting has been regarded as a revolutionary approach to assist the investors' decision making abilities since it presented the current value of financial assets. Proponents have long praised for the relevance strength while the opponents of fair value have underlined the significant lack of reliability. Beaver and Landsman [3] found that the investors perceived the estimated fair value of bank loans was more relevant than historical cost amounts. Herrmann, Saudagaran and Thomas [4] indicated that fair values of property, plant and equipment were more value relevant to decision makers. Barlev and Handad [5] also found that fair value accounting was more value relevance than historical cost accounting and fair value accounting would replace the historical cost accounting because the historical cost accounting hid the real financial position and income. Danbolt and Rees [6] presented that fair value accounting could explain the stock market returns better than historical cost accounting based on the British real estate and investment fund industries. On the contrary, the arguments about fair value accounting are as follows. Pappu and Devi [7] and Kargin [8] showed that the cost model was more relevant than fair value model and fair value disclosure was more relevant than recognized in the accounts. In addition, the valuation of fair value were

some research studied the reliability of the fair value. Dietrich, Harris and Muller [9] found the reliability of the appraisers' valuation was greater than that of the director's valuation while Muller and Riedl [10] found that the information provided by the appraisers is more useful for investors than the information provided by directors.

Historical cost principle has been regarded as the unquestionable orthodox approach of financial accounting in many parts of the world including Thailand until the 2000s. During the early 1970s, the increasing of economic instability put the historical cost in a position to take the blame for the changing financial environment, creating a doubt on the perennial loyalty on that principle by both the investors and the standard setters. Therefore, in recent years, accounting standard setters such as International Accounting Standard Board (IASB), Financial Accounting Standard Board (FASB) and Thai Accounting Standard Board (TASB) continued to turn to fair value as a relevant measure of assets and liabilities for financial reporting purposes. Fair value has been expanded to use as a measurement basis for financial reporting,

The definition of fair value before the issuance of IFRS 13 was the estimated amount for which an asset should exchange on the valuation date between a willing buyers and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without t compulsion. After the issuance of IFRS13, the definition of fair value was changed to be the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. (IFRS: 13 Fair Value Measurement (Bound volume 2015). However, the definition of fair value in Thai Accounting Standard 106(TAS 106): Accounting for investment entity still used the prior definition.

B. Thai Property Funds (Thai PFUND)

The Property Funds should registered as a fund with the Office of the Securities and Exchange Commission ("SEC"). Thai property funds were close-ended mutual funds with no maturity date. The Fund had the key objective to use the proceeds from sale of investment units to invest in properties for residential building including land and private houses for living.

Using of fair value measurements increased the use of judgment around financial accounting. In many circumstances, determining "fair value" required the use of complex modeling techniques and valuation experts until 2011, IFRS 13 was originally issued in May and applied to annual periods beginning on or after 1, 2013. Increasing the consistency and comparability of fair value measurement and related disclosures, the fair value hierarchy was given in IFRS 13. IFRS 13 defined how fair value should be determined for financial reporting purposes by establishing a fair value framework applicable to all fair value measurement. There were three levels in the fair value hierarchy. Level 1 inputs were quoted prices in an active market for identical assets and

liabilities that the entity can access at the measurement date that provided the most reliable evidence of fair value. An active market was a market in which transaction for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted market prices included within level 1 that were observable for the asset or liability either directly or indirectly. Inputs for the level 2 were the similar assets or liabilities. Level 3 inputs were unobservable inputs for the assets or liabilities. An entity used the best information available in the circumstances which might include the entity own data into account all information about market participant assumptions that is reasonable available.

Before TFRS 13, in many circumstances, determining "fair value" required the use of complex modeling techniques and valuation experts. After that, Thai Financial Reporting Standard 13: Fair value measurement (TFRS13) outlined three potential valuation techniques: the market approach, the cost approach, and the income approach. Before applying each valuation technique, the report entity was required to consider which technique was appropriate in the circumstances and for which market participant pricing inputs can be obtained without undue cost and effort. Followings were the three valuation techniques.

C. Market Approach

Market approach was a primary valuation technique that was used for fair value of the financial assets and liabilities because of the observable inputs of identical or comparable instruments were available. The market approach used market prices and other relevant information generated by market transactions involving identical or comparable (that was, similar) assets and liabilities.

D. Cost Approach

The cost approach assumed that the fair value would not more value than what it would cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

E. Income Approach

The income approach was applied by using the discounted cash flow (DCF) method, which requires (1) estimating future cash flows for a certain discrete projection period; (2) estimating the terminal value, if appropriate; and (3) discounting those amounts to present value at a rate of return that considered the time value of money and the relative risk of the cash flows. Terminal value represented the present value at the end of the discrete projection period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset had an indefinite life.

III. METHODOLOGICAL FRAMEWORK AND SAMPLE DATA

The financial statements of Thai PFUND had been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in Thai Accounting Standard No. 106 (TAS106) "Accounting for Investment Companies". All properties and fixed assets purchased and/or invested in by the Fund, including land, buildings, fixtures, furniture and other fixed assets are recorded as an investment in property. There is no market on which investment in property were freely traded therefore, Management Company of the fund measured fair value at the first statement of financial position date using the acquisition cost of the property and directly related expenses. For subsequent statement of financial position dates, it was valued at fair value and recognized changes in the fair value as unrealized gains or losses in the income statements.

Under TAS106, Investments were recognized as assets with the cost of investment at the date on which the fund had the right on investments. The costs of investments comprised of the purchase price and all direct expenses which the fund paid to get those investments. The valuation of fair value for investment in property by an appraiser was recommended but not mandatory. However, discretionarily estimating of the value of investment in property, the results could be skewed or did not accurate. The unrealized gains or losses from valuing the investment in property could be the instruments for earnings management. Moreover, the quality of accounting information in the financial statements and the fair value valuation methods became questionable. If the investors did not believe that was the actual fair value as high quality cars could not be distinguished from low quality cars, the investors tended to be hesitated in making decisions. That could be caused negative reaction chain to unit fund price. In addition, that could be lead to the serious problems for Thai PFUND when the investors did not believe the accounting information that was provided by Thai PFUND. Therefore, this study aimed to elucidate the actual status of fair value in Thai PFUND. Thai PFUND were very significant sample data because the most significant asset was investment in property that should not be less than 75% of the net asset value and the other transactions did not complex. The fair value valuation of investment in property affected the earnings in the income statement and the asset in the statement of the financial position.

The methodological framework for this study included two parts. Part I was the first objective: the investigating of the status of fair value in Thai PFUND: how fair value used, who prepared and which technique used to determine fair value. Part II was the second objective: the investigating of the association of the fair value of

investment in property per unit (FVIP) and the unit fund price and compare those association among the unit fund price at the end of the year (UFPYE), the unit fund price at the first quarter of the next year (UFPQ1) and the unit fund price at the end of the second quarter of the next year (UFPQ2).

The methodology used for the first objective was the frequency distribution and the regression analysis was used for the second objective.

The sample data sources of this study were the Thai PFUND that listed in the Securities Exchange of Thailand during 2009-2013. The numbers of sample data 48 funds. There were 160 financial statements. After screening the data, there were 9 funds and twenty-one financial statements that did not ended on December 31 were excluded from the sample data.

First objective: To investigate the status of fair value in Thai PFUND: how fair value used, who prepared and which technique used to determine fair value. Collecting the data of 39 funds from Thai PFUND listed on the Securities Exchange of Thailand during fiscal year 2009 - 2013 as sample data. Second objective: to investigate the association of the fair value of investment in property per unit (FVIP) and the unit fund price (UFP).

IV. RESULT

The results for the first objective were as follows.

To investigate the accounting information about fair value used in Thai PFUND. The collected numbers of financial statements increased from 21 financial statements in 2009 (15.22%) to 36 financial statements in 2013 (26.09%).

TABLE I. SAMPLE DATA COLLECTED FOR EACH YEAR

Year	2009	2010	2011	2012	2013	Total
Numbers	21	21	28	32	36	138
(percent)	(15.22%)	(15.22%)	(20.29%)	(23.19%)	(26.09%)	(100%)

TABLE II. THE NUMBER OF FUNDS

Years	5	4	3	2	1	Total
Funds	18	2	8	6	5	39
(percent)	(46.15%)	(5.13%)	(20.51%)	(15.38%)	(12.82%)	(100%)

Although there were 39 funds, only 18 funds (46.15%) that all financial statements during 2009-2013 were collected as the sample data. The others included three-year, two-year, one year and four-year of the financial statements respectively.

Fair value was used to value the investment in property which was the major asset of the Thai PFUND as required by TAS106. Investment in property was recognized as assets at the cost of investments at the date on which the funds had the right on investments. Investment in property was stated at fair value and was not depreciated. The fair value valuation was made by an independent appraiser

every 2 years and the valuation would also be reviewed within one year after the last valuation date.

TABLE III. AUDIT FIRMS AND APPRAISERS' NAMES DISCLOSURE

	Appraisers' names were disclosed	Appraisers' names were not disclosed	Total
Big-4	0(0.00%)	77 (55.80%)	77 (55.80%)
Not a Big-4	44(31.88%)	17(12.32%)	61(44.20%)
	44(31.88%)	94 (68.12%)	138(100%)

All of the Thai PFUND presented that their fair value of investment in properties were determined by the independent appraisers. However, this study found that there were 94 financial statements (68.12%) did not disclose the name of the appraisers. In addition, there were 77 financial statements (55.80%) audited by three of Big-4 firms (EY Office Limited, KPMG Phoomchai Audit Ltd. and PricewaterhouseCoopers ABAS Ltd.) and all of those financial statements were not disclosed independent appraisers' names while the 61 financial statements (44.20%) were audited by not a Big- 4 firms and 44 financial statements (31.88%) disclosed the independent appraisers' names.

TABLE IV. FAIR VALUE APPRAISERS OF THAI PFUND

Fund Name	Financial Statements	Percent
N/A	94	68.12
Brooke Real Estate Company Limited	9	6.52
Knight Frank Chartered (Thailand) Company Limited	5	3.62
CPM Capital Company Limited	3	2.17
Plan Appraisal Company Limited	3	2.17
Sallmanns (Far East) Limited	3	2.17
Others (included 13 companies)	21	25.23
Total	138	100

Brooke Real Estate Company Limited was the most preferable company that was hired by the funds in Thai PFUND. Knight Frank Chartered (Thailand) Company Limited was the second company and CPM Capital Company Limited, Plan Appraisal Company Limited and Sallmanns (Far East) Limited were the third companies that were hired by the funds in Thai PFUND.

In addition, this study found that the fair value appraisers for Thai PFUND used income approach to determine the fair value of investment in property for the 133 financial statements. Only one financial statement used the market approach as shown Table V

TABLE V. FAIR VALUE VALUATION APPROACH

Valuation Techniques	Income Approach	Market Approach	Not available	Total
Numbers of financial statements	133 (96.38%)	1 (0.72%)	4 (2.90%)	138 (100%)

As mentioned above, income approach was the discounted cash flow (DCF) method, Cash flows were generated from the rent revenue of the properties that invested by Thai PFUND whereas the market approach used prices and other relevant information generated by market transactions involving identical or comparable (that was, similar) assets and liabilities. Therefore, income approach was the most preferable used by the appraisers to determine the fair value (96.38%). We agreed that results because the information used to determine the fair value rely on the rent revenue that generated cash flows however, the others factors needed to be considered, the reliable amount of rent revenue forecasting, the discounted rate and how long that the properties could generate the rent revenue.

The results for the second objective were as follows. Studying the correlation via Pearson's correlation and using regression analysis to compare the association of the fair value of investment in property among the unit fund prices. R2, the variation in the dependent variable explained by the independent variable, is used as the comparison of the association among three perspectives.

To investigate the association of the fair value of investment in property per unit (FVIP) and the unit fund price and compare those association among the unit fund price at the end of the year (UFPYE), the unit fund price at the first quarter of the next year (UFPQ1) and the unit fund price at the end of the second quarter of the next year (UFPQ2). The descriptive of the sample data were shown in Table VI.

TABLE VI. THE DESCRIPTIVE OF THE SAMPLE DATA

	FVIP	UFPYE	UFPQ1	UFPQ2
N	138	138	138	138
Mean	37.5517	9.8881	9.8722	9.8359
Mode	9.70	9.70	9.85	10.00
Std. Deviation	45.78984	3.03535	3.19202	3.20280
Variance	2096.709	9.213	10.189	10.258
Minimum	4.10	2.96	2.92	2.50
Maximum	269.47	20.10	22.00	20.00

The sample data were 138 financial statements. The average of fair value of investment in property per unit was 37.5517 baht. The most value of fair value of investment in property per unit was 9.70 baht. The different of the maximum value and the minimum value of fair value of investment in property per unit was 264.07 baht (the maximum value was 268.17 and the minimum value was 4.10 baht) that were very high. The unit fund prices were collected at the unit fund price at the end of the year, the first quarter of the next year and the second

quarter of the next year. The average of the unit fund price at the end of the year was 9.8881 baht. The most value of the unit fund price at the end of the year was 9.70 baht. The different of the maximum value and the minimum value of the unit fund price at the end of the year was 17.14 baht (the maximum value was 20.1 and the minimum value was 2.96 baht). The average of the unit fund price at the first quarter of the next year was 9.8722 baht. The most value of the unit fund price at the first quarter of the next year was 9.85 baht. The different of the maximum value and the minimum value of the unit fund price at the first quarter of the next year was 19.08 baht (the maximum value was 22.0 and the minimum value was 2.92 baht). The average of the unit fund price at the second quarter of the next year was 9.8359 baht. The most value of the unit fund price at the second quarter of the next year was 10.00 baht. The different of the maximum value and the minimum value of the unit fund price at the second quarter of the next year was 17.50 baht (the maximum value was 20.0 and the minimum value was 2.50 baht).

TABLE VII. THE CORRELATIONS OF FAIR VALUE OF INVESTMENT IN PROPERTY AND THE UNIT FUND PRICE.

		Correlations			
		FVIP	UFPE	UFPQ1	UFPQ2
FVIP	Pearson Correlation	1	.263**	.260**	.268**
	Sig. (2-tailed)		.002	.002	.001
	N	138	138	138	138
UFPE	Pearson Correlation	.263**	1	.968**	.957**
	Sig. (2-tailed)	.002		.000	.000
	N	138	138	138	138
UFPQ1	Pearson Correlation	.260**	.968**	1	.960**
	Sig. (2-tailed)	.002	.000		.000
	N	138	138	138	138
UFPQ2	Pearson Correlation	.268**	.957**	.960**	1
	Sig. (2-tailed)	.001	.000	.000	
	N	138	138	138	138

** . Correlation is significant at the 0.01 level (2-tailed).

Table VII presented that the correlation of fair value of investment in property and the unit fund price was significant and the most correlated was the fair value of investment in property at the end of the second quarter of the next year. Therefore, the fund price at the end of the second quarter of the next year would response to the fair value of investment in property more than the others.

In addition, the results from the regression analysis could be presented as three models: model 2.1: the association between fair value of investment in property and the unit fund price at the end of fiscal year, model 2.2: the association between fair value of investment in property and the unit fund price at the end of first quarter of the next year and model 2.3: the association between fair value of investment in property and the unit fund price at the end of second quarter of the next year.

Model No.	Models	Adjusted R ²
2.1	UFPYE = 9.234 + .017FVIP	.062
2.2	UFPQ1 = 9.192 + .018FVIP	.061
2.3	UFPQ2 = 9.132 + .019FVIP	.065

To summarize the results of this study: the accounting information about fair value in Thai property funds, fair value was used to value the major asset which was the investment in property. All of fair value for investment in property of Thai PFUND were valued by the independent appraisers. There were 94 financial statements (68.12%) did not disclose the name of the appraisers. All of the financial statements that was audited by three of Big-4 firms did not disclose the appraisers' names while 12.32% of the financial statements that was audited by not a Big-4 firms did not disclosed the appraisers' names. In addition, Brook Real Estate Company Limited and Knight Frank Chartered (Thailand) Company Limited were the first and second companies of the rank of preferable companies used by the Thai PFUND respectively. The most valuation technique used by the fair value independent appraisers was income approach. This valuation technique was the reasonable method because the rent revenue was the most important revenue of the funds although, there were other factors such as the real rent revenue could be different from the forecasting cash flow, the discounted rate and the economy. According to the study of the association of the fair value of investment in property and the unit fund price, we found that the association between the fair value of investment in property and the unit fund price at the end of the second quarter of the next year were more associated than the unit fund price at the end of the first quarter and at the end of the fiscal year. Finally, the results of this study could contribute the accounting information for the financial statements' users in making decisions about the Thai PFUND.

To disclose the independent appraisers' names in the notes of the financial statements was recommended for the property funds since disclosing the names could show the faithfulness of the funds. In addition, prior study by Dietrich, Harris and Muller (2000) found that the reliability of the appraiser's valuation was greater than the director's valuation.

In addition, the result of the studying of the association between the fair value of investment property and the unit fund price indicated the effect of the fair value to the changes in the unit fund price. The unit fund price lately from the end of the year was recommended to use for the researchers when studying the association between the fair values of the investment in property since the effect on the unit fund price of those value delayed.

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