



Fair Value Measurement, Accounting Choice, and Financial Reporting Comparability: A Systematic Literature Review of Evidence, Theoretical Perspectives, and Emerging Research Directions

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ABSTRACT. *This study examines the relationship between fair value measurement, accounting choice, and financial reporting comparability through a qualitative systematic literature review. Drawing on relevant accounting literature, the study synthesizes empirical evidence and theoretical perspectives to identify key mechanisms, boundary conditions, and emerging research directions. The findings indicate that fair value measurement and accounting choice do not have uniformly positive or negative effects on comparability. Instead, their effects depend on the extent to which measurement choices improve economic representation and reduce accounting mismatches. Comparability is enhanced when fair value estimates rely on observable information, accounting choices reflect underlying economic relationships, and effective investor monitoring and institutional enforcement are present. Conversely, measurement uncertainty, Level 3 valuations, managerial discretion, and opportunistic incentives may reduce comparability. The study contributes an integrated framework explaining how measurement choice, accounting mismatch, managerial incentives, measurement observability, and institutional factors jointly shape financial reporting comparability.*

Keywords *Fair Value Measurement; Accounting Choice; Financial Reporting Comparability; Accounting Mismatch; Managerial Discretion*

INTRODUCTION

Fair value measurement has become a consequential and contested issue in contemporary financial reporting, reflecting the tension between historical cost and fair value as alternative measurement bases. Historical cost emphasizes verifiability and measurement stability, whereas fair value seeks to provide information reflecting current economic conditions and market expectations. The increasing application of fair value under IFRS and U.S. GAAP has consequently raised questions about whether it enhances decision usefulness or introduces greater measurement uncertainty, managerial discretion, and volatility (McDonough et al., 2020).

The debate extends beyond measurement bases because accounting choices can affect financial reporting comparability. The IASB identifies comparability as a qualitative characteristic that enables users to identify similarities and differences among economic phenomena and reporting entities (IASB, 2018). Fair value may improve comparability when current values better capture economically relevant differences, but alternative measurement choices may also reduce comparability when similar transactions produce substantially different accounting numbers. Thus, fair value cannot be considered inherently superior to historical cost. Supplier engagement, adoption of

green technologies, and collaboration with stakeholders, is crucial for improving operational efficiency, reducing environmental impact, and enhancing the company's reputation (Ruslaini & Eri Kusnanto, 2020).

Accounting choice further complicates this relationship because standards often permit measurement alternatives and managerial discretion. Such discretion may enable firms to provide more faithful representations of their economic circumstances but may also create heterogeneity in reported numbers. Prior research indicates that accounting choices are influenced by institutional environments, managerial incentives, regulation, and economic conditions (Ball et al., 2000, 2003). Research on fair value similarly suggests that firms' measurement choices respond to asset and liability characteristics, risk exposures, and reporting environments (Cairns et al., 2011; Guthrie et al., 2011; Chang et al., 2021). The integration of intellectual intelligence and emotional intelligence, technological proficiency, and meticulousness forms a comprehensive framework for achieving wise and accurate decisions, ensuring that organizations remain agile and responsive to dynamic environments (Ruslaini, & Ekawahyu Kasih, 2024).

The fair value option (FVO) provides an important setting for examining this issue because it permits entities, under specified conditions, to elect fair value measurement for financial assets and liabilities. In the United States, FVO developed through FASB Statements No. 155, 156, and particularly SFAS No. 159 (FASB, 2006a, 2006b, 2007). Its rationale is closely related to reducing accounting mismatches and improving consistency between related assets, liabilities, and economic risks. However, this raises a fundamental question: does accounting choice reduce comparability, or can appropriate measurement choices enhance comparability by better representing underlying economic phenomena? Digital technologies encourage companies to shift focus toward intangible assets such as information systems and data analytics (Rizal M., et al 2025).

Importantly, comparability is not equivalent to accounting uniformity. De Franco et al. (2011) define comparability as the extent to which similar economic events are translated into similar accounting numbers and different events into different numbers. Greater comparability is associated with analyst following, higher forecast accuracy, lower forecast dispersion, and greater stock-price informativeness (De Franco et al., 2011; Choi et al., 2019; Kim et al., 2016).

However, the effect of fair value on comparability is conditional rather than uniform, depending on institutional environments, enforcement, managerial incentives, and measurement practices (Daske et al., 2008; Lin et al., 2019; Yip & Young, 2012). Fair value may also affect information asymmetry, bank leverage, credit risk, earnings volatility, and market relevance differently across contexts (Christensen & Nikolaev, 2013; Muller et al., 2011; Blankespoor et al., 2013; Fiechter, 2011).

Fontes et al. (2025), examining 673 U.S. bank holding companies during 2007–2019, find that Fair Value Option (FVO) elections can increase comparability when they reduce accounting mismatches. This indicates that accounting choice does not necessarily reduce comparability when it better reflects asset liability and risk management relationships. Nevertheless, Level 3 measurements may weaken comparability because of unobservable inputs and greater valuation subjectivity (Fontes et al., 2025).

Accordingly, this study conducts a systematic literature review to integrate fragmented research on fair value measurement, accounting choice, comparability, valuation uncertainty, IFRS convergence, and capital-market outcomes. The review addresses three questions: (1) What evidence exists regarding fair value measurement, accounting choice, and comparability? (2) What theoretical perspectives explain these relationships? and (3) What research gaps and emerging directions remain?

Ultimately, the study focuses not on whether fair value or historical cost is universally superior, but on when particular measurement choices faithfully represent economic phenomena while improving financial reporting comparability and decision usefulness (De Franco et al., 2011; Fontes et al., 2025).

LITERATURE REVIEW

The literature on fair value measurement centers on the trade-off between current economic relevance and measurement reliability. Historical cost emphasizes stability and verifiability, whereas fair value provides more current information but may involve estimation uncertainty, managerial discretion, and volatility (McDonough et al., 2020; IASB, 2018; FASB, 2010).

Modern financial reporting employs a mixed-measurement model, which may create accounting mismatches when economically related assets and liabilities are measured differently. The Fair Value Option (FVO) provides flexibility to reduce such

mismatches and better align accounting measurements with risk-management relationships (Fiechter, 2011; FASB, 2007; Fontes et al., 2025). However, accounting choice may either improve economic representation or create heterogeneity and opportunistic reporting depending on managerial incentives and institutional conditions (Cairns et al., 2011; Guthrie et al., 2011; Ball et al., 2000, 2003; Chang et al., 2021).

Financial reporting comparability is not equivalent to accounting uniformity. It reflects the extent to which similar economic events produce similar accounting numbers and different events produce different numbers (De Franco et al., 2011). Greater comparability is associated with analyst following, forecast accuracy, lower forecast dispersion, and greater stock-price informativeness (De Franco et al., 2011; Choi et al., 2019; Kim et al., 2016).

Empirical evidence indicates that the relationship between fair value and comparability is conditional. Cairns et al. (2011) find that mandatory fair value generally increases comparability, while optional measurement produces mixed outcomes. Fontes et al. (2025), examining 673 U.S. bank holding companies during 2007–2019, find that FVO elections can increase comparability, particularly when they reduce pre-existing accounting mismatches. Conversely, Level 3 measurements may weaken comparability because of unobservable inputs, estimation uncertainty, and managerial judgment (Goh et al., 2022; Fontes et al., 2025).

Institutional factors also influence these outcomes. Enforcement, legal environments, investor protection, and managerial incentives determine how accounting standards affect comparability (Ball et al., 2000, 2003; Barth et al., 2012; Lin et al., 2019). Fair value can also reduce information asymmetry and generate capital-market benefits under appropriate conditions (Fontes et al., 2018; Schneider & Tran, 2015).

Four theoretical perspectives dominate the literature: decision usefulness, agency/positive accounting, institutional theory, and economic representation. These perspectives explain fair value as simultaneously relevant to users, influenced by managerial incentives, constrained by institutional environments, and capable of improving comparability when it better represents underlying economic relationships (FASB, 2010; IASB, 2018; Guthrie et al., 2011; Barth et al., 2012; Fontes et al., 2025).

Overall, the literature shows that fair value and accounting choice do not inherently improve or reduce comparability. Their effects depend on accounting mismatches,

measurement observability, managerial discretion, economic circumstances, and institutional enforcement. The central implication is that comparability should be understood as the quality of the relationship between economic events and reported accounting numbers, rather than the uniformity of accounting methods (De Franco et al., 2011; Fontes et al., 2025).

METHODS

This study employs a qualitative systematic literature review (SLR) to identify, evaluate, synthesize, and interpret research on fair value measurement, accounting choice, and financial reporting comparability. The qualitative SLR is appropriate for fragmented research areas because it enables systematic, transparent, and reproducible evidence synthesis while emphasizing theoretical perspectives, empirical findings, contradictions, and emerging research directions rather than statistical aggregation (Snyder, 2019; Page et al., 2021).

The review follows PRISMA 2020 principles and addresses three research questions concerning empirical evidence, theoretical explanations, and methodological, contextual, and conceptual research gaps (Page et al., 2021). The search covers major academic databases using terms related to fair value measurement, fair value option, accounting choice, measurement choice, and financial reporting comparability, supplemented by concepts such as measurement uncertainty, Level 3 fair value, managerial discretion, accounting mismatch, IFRS, and U.S. GAAP (De Franco et al., 2011; Barth et al., 2012; Fontes et al., 2025).

The review primarily considers studies published during 2018–2026, while retaining seminal works that provide important theoretical and institutional foundations, including Ball et al. (2000, 2003), FASB (2007), De Franco et al. (2011), and IASB (2018). Particular attention is given to Fontes et al. (2025), which directly examines fair value accounting choice and financial reporting comparability. Studies were included when they addressed fair value, accounting choice, measurement issues, or accounting comparability and provided relevant empirical, theoretical, or methodological evidence. Non-academic commentary, duplicates, inaccessible studies, and studies treating fair value solely as a technical valuation issue were excluded.

Study selection involved identification, duplicate removal, title/abstract screening, and full-text assessment, documented through a PRISMA flow process (Page et al., 2021). Study quality was evaluated based on research objectives, theoretical foundation, methodological rigor, evidence quality, and relevance. Data extraction covered publication characteristics, research context, theory, methodology, fair value and accounting-choice characteristics, comparability measures, findings, limitations, and research gaps.

The synthesis combined descriptive, thematic, and interpretive approaches, focusing on fair value versus historical cost, accounting choice, accounting mismatch, managerial discretion, Level 3 measurement, measurement uncertainty, risk management, institutional enforcement, and IFRS/U.S. GAAP. Four theoretical perspectives were integrated: decision usefulness, agency/positive accounting, institutional theory, and measurement/economic representation (FASB, 2010; IASB, 2018; Guthrie et al., 2011; Chang et al., 2021; Ball et al., 2000, 2003; Barth et al., 2012; Lin et al., 2019; Fontes et al., 2025).

Findings were classified as positive, negative, or conditional/mixed effects on comparability. Fair value may enhance comparability by reducing accounting mismatches but may reduce it when measurement involves substantial managerial judgment and unobservable inputs (Cairns et al., 2011; Fontes et al., 2025). The resulting framework links Fair Value Measurement → Accounting/Measurement Choice → Economic Representation → Accounting Mismatch & Measurement Uncertainty → Financial Reporting Comparability → Information Environment & Capital-Market Consequences, moderated by managerial incentives, institutional environment, enforcement, fair value hierarchy, risk management, and investor monitoring (De Franco et al., 2011; Fontes et al., 2025).

Methodological reliability was strengthened through documented search strategies, eligibility criteria, screening, quality assessment, and data extraction consistent with PRISMA 2020 (Page et al., 2021). Key limitations include English-language restrictions, differences in databases and comparability measures, researcher interpretation, and concentration of evidence in developed markets, highlighting opportunities for research in emerging and alternative institutional environments.

RESULTS

The qualitative synthesis indicates that research on fair value measurement, accounting choice, and financial reporting comparability centers on the tension between measurement uniformity and economic representation. Evidence suggests that measurement choices can enhance comparability when they better reflect underlying economic circumstances (Cairns et al., 2011; De Franco et al., 2011; Fontes et al., 2025). In particular, Fontes et al. (2025) find that Fair Value Option (FVO) elections can increase comparability among U.S. banks when they reduce accounting mismatches, challenging the assumption that accounting choice necessarily reduces comparability.

Six interconnected findings emerge: (1) fair value has conditional rather than uniform effects on comparability; (2) accounting choice can enhance comparability by reducing accounting mismatches; (3) managerial discretion and measurement uncertainty may weaken comparability; (4) institutional and enforcement environments influence outcomes; (5) comparability generates information and capital-market benefits; and (6) recent research increasingly emphasizes contextual measurement choices and economic representation rather than a simple fair value versus historical cost distinction.

First, the effects of fair value depend on whether measurement is mandatory or voluntary, the nature of assets and liabilities, input observability, and managerial incentives (Cairns et al., 2011; McDonough et al., 2020). Cairns et al. (2011), examining 228 listed firms in the United Kingdom and Australia, find that mandatory fair value generally increases comparability, while optional fair value produces mixed effects. Thus, fair value may improve comparability when it reflects economically similar circumstances but may reduce it when managerial judgment and measurement uncertainty dominate.

Second, accounting choice does not automatically imply a loss of comparability. Comparability concerns how economically similar events are translated into accounting numbers rather than whether firms apply identical accounting methods (De Franco et al., 2011). Greater comparability is associated with greater analyst following, higher forecast accuracy, and lower forecast dispersion (De Franco et al., 2011). Consistently, Fontes et al. (2025) find that FVO elections increase comparability when they address accounting mismatches. Mixed measurement bases can create mismatches between economically

related assets and liabilities, while FVO can align measurement bases and reduce such distortions (Fiechter, 2011; FASB, 2007; Fontes et al., 2025).

Third, managerial discretion and measurement uncertainty are important boundary conditions. Observable market information provides a stronger common measurement basis, whereas unobservable inputs require greater managerial judgment (McDonough et al., 2020). Goh et al. (2022) find that Level 2 fair value measurements enhance comparability, whereas Level 3 measurements reduce it. Investor monitoring can improve comparability, while stronger managerial incentives for discretion may weaken it (Goh et al., 2022; McDonough et al., 2020). Accordingly, accounting choice may reflect economic representation or, alternatively, opportunistic reporting depending on managerial incentives and monitoring (Fiechter, 2011; Guthrie et al., 2011; Chang et al., 2021).

Fourth, institutional and enforcement environments materially influence comparability. Accounting standards alone do not determine reporting outcomes because legal systems, enforcement, investor protection, and managerial incentives affect implementation (Ball et al., 2000, 2003; Barth et al., 2012). Lin et al. (2019) show that IFRS adoption and convergence improve comparability when supported by stronger enforcement. However, evidence concerning FVO and comparability remains concentrated in U.S. banking institutions, limiting generalizability to emerging markets and non-financial industries (Fontes et al., 2025).

Comparability also generates consequences beyond financial statements. Greater comparability is associated with increased analyst following, higher forecast accuracy, and lower forecast dispersion (De Franco et al., 2011), while Choi et al. (2019) find that it increases the informativeness of stock prices about future earnings. Thus, the broader relationship can be represented as: Measurement Choice → Accounting Representation → Comparability → Information Environment → Capital-Market Outcomes (De Franco et al., 2011; Choi et al., 2019).

Four theoretical perspectives explain these relationships: decision usefulness, agency/positive accounting, institutional theory, and economic representation/measurement theory. Decision usefulness emphasizes the relevance of fair value information for investors and creditors (IASB, 2018; FASB, 2010); agency and positive accounting emphasize managerial incentives and discretion (Guthrie et al., 2011;

Chang et al., 2021); institutional theory focuses on regulation and enforcement (Ball et al., 2000, 2003; Barth et al., 2012); and economic representation examines whether accounting numbers appropriately capture underlying economic relationships (De Franco et al., 2011; Fontes et al., 2025).

Overall, the synthesis supports a conditional and multidimensional relationship: Fair Value Measurement → Accounting Choice → Economic Representation → Accounting Mismatch → Financial Reporting Comparability, moderated by managerial incentives, measurement observability, institutional enforcement, investor monitoring, and risk management. Comparability tends to increase when accounting choice reduces mismatches and improves economic representation, but may decline when valuation relies heavily on unobservable assumptions and managerial discretion (Fontes et al., 2025; Goh et al., 2022).

Future research should distinguish methodological similarity from economic comparability, examine Level 3 measurements, valuation assumptions, external valuation specialists, disclosure quality, and institutional differences, and extend evidence beyond banking to manufacturing, insurance, real estate, energy, and technology (Goh et al., 2022; McDonough et al., 2020; Barth et al., 2012; Lin et al., 2019; Fontes et al., 2025). Greater attention is also warranted for risk management, hedging, asset–liability management, and investor monitoring (Fiechter, 2011; Goh et al., 2022; Fontes et al., 2025).

Fair value and accounting choice do not inherently undermine financial reporting comparability. Their effects depend on whether measurement choices faithfully represent economic relationships and reduce accounting mismatches. Conversely, measurement uncertainty, unobservable inputs, and managerial discretion may weaken comparability (Goh et al., 2022; Fontes et al., 2025). Therefore, comparability is better understood as the quality of the mapping between economic phenomena and reported accounting numbers, rather than simply the uniformity of accounting methods (De Franco et al., 2011; Fontes et al., 2025).

DISCUSSION

The findings of this qualitative systematic literature review indicate that the relationship between fair value measurement, accounting choice, and financial reporting

comparability is more conditional than the traditional assumption that greater measurement choice necessarily reduces comparability. Fair value can enhance or impair comparability depending on whether the selected measurement basis improves the representation of underlying economic circumstances, reduces accounting mismatches, and is supported by observable valuation inputs and effective monitoring (Fontes et al., 2025; Goh et al., 2022). This interpretation is consistent with Fontes et al. (2025), who demonstrate that Fair Value Option (FVO) elections increase comparability when used consistently with standard setters' objective of reducing accounting mismatches, while less observable fair values may create comparability problems (Goh et al., 2022).

The findings suggest that fair value should not be viewed as inherently superior or inferior to historical cost because its contribution to comparability depends on the economic characteristics of assets and liabilities and the reliability of valuation processes (Christensen & Nikolaev, 2013; Fontes et al., 2025). Christensen and Nikolaev (2013) find that firms are more likely to use fair value when reliable estimates are available at relatively low cost and when fair value provides information about operating performance, whereas historical cost remains dominant for illiquid assets for which reliable market-based measurement is difficult.

These findings complement Cairns et al. (2011), who report that mandatory fair value requirements generally increased comparability, while optional fair value choices generated more heterogeneous effects across accounting items. Taken together, the evidence indicates that standardization can enhance comparability when similar economic items are subject to common measurement requirements, but accounting choice may also improve comparability when it allows firms to select a measurement basis that better captures economically related assets and liabilities (Cairns et al., 2011; Fontes et al., 2025).

A central contribution of this SLR is the finding that accounting choice should not automatically be interpreted as a source of financial reporting inconsistency. Although alternative accounting treatments may generate heterogeneous accounting numbers, choice can improve comparability when it aligns measurement with economic substance (Fontes et al., 2025).

This conclusion is particularly supported by Fontes et al. (2025), whose evidence from U.S. banks shows that FVO elections increase comparability among adopting banks

and between adopters and non-adopters when used to remedy accounting mismatches. The present SLR extends this finding by linking accounting choice with measurement observability, managerial incentives, institutional enforcement, and investor monitoring (Goh et al., 2022; Barth et al., 2012).

Accounting mismatch represents an important mechanism underlying this relationship. When economically related assets and liabilities are measured using different accounting bases, reported earnings and financial position may fail to reflect their underlying economic relationships (Fontes et al., 2025). FVO elections can reduce such measurement asymmetry and thereby produce accounting numbers that better represent economic substance. This finding supports the distinction between formal comparability, based on similarity of accounting methods, and economic comparability, based on whether reported numbers appropriately represent economically similar phenomena (De Franco et al., 2011; Fontes et al., 2025).

Measurement uncertainty and managerial discretion constitute important boundary conditions in the comparability effects of fair value. Goh et al. (2022) find that greater exposure to Level 2 measurements enhances comparability, whereas Level 3 measurements reduce comparability. Their findings further indicate that comparability decreases when managers have stronger incentives to exercise discretion but improves with stronger investor monitoring (Goh et al., 2022).

These results are consistent with Muller et al. (2011), who find that mandatory fair value reporting in European real estate reduces information asymmetry, although concerns regarding the reliability of fair values remain. Therefore, increasing the use of fair value alone is insufficient to guarantee comparability; valuation quality, observability, verification, and governance are also critical (Goh et al., 2022; Muller et al., 2011).

Comparability is also shaped by the institutional environment in which accounting standards are implemented. Barth et al. (2012) find that IFRS-based accounting amounts become more comparable with U.S. GAAP-based amounts, particularly under mandatory adoption, stronger enforcement, common-law institutional settings, and more recent periods. This evidence indicates that accounting standards and measurement choices cannot be separated from enforcement, managerial incentives, and institutional quality (Barth et al., 2012).

Similarly, Cairns et al. (2011) show that mandatory fair value requirements generally increase comparability, while optional measurement choices produce more mixed outcomes. These findings imply that standardization remains important but should be accompanied by institutional mechanisms that constrain opportunistic measurement choices while preserving economically meaningful flexibility (Barth et al., 2012; Cairns et al., 2011).

The findings further demonstrate that comparability is not merely a technical qualitative characteristic but has economically meaningful consequences. De Franco et al. (2011) show that higher financial statement comparability is associated with greater analyst following, higher forecast accuracy, and lower forecast dispersion, suggesting that comparability reduces information acquisition costs. Choi et al. (2019) further find that greater comparability increases the informativeness of stock prices about future earnings and the amount of firm-specific information incorporated into prices.

Accordingly, the importance of fair value measurement extends beyond changes in reported amounts. Fair value accounting should ultimately be evaluated according to whether it improves users' ability to compare firms, process information, and assess future economic outcomes (De Franco et al., 2011; Choi et al., 2019).

The eight prior studies considered in this discussion reveal a consistent but conditional pattern. Mandatory fair value measurement can improve comparability under appropriate conditions (Cairns et al., 2011); accounting choice can enhance comparability when it reduces accounting mismatches (Fontes et al., 2025); fair value can be informative when reliable measurement is feasible (Christensen & Nikolaev, 2013); and greater comparability generates information and capital-market benefits (De Franco et al., 2011; Choi et al., 2019). Conversely, measurement uncertainty, Level 3 valuation, managerial discretion, and weak monitoring can undermine comparability (Goh et al., 2022; Muller et al., 2011).

The principal theoretical contribution of this SLR is therefore the proposition that financial reporting comparability is a conditional outcome of measurement choice rather than a mechanical consequence of accounting uniformity (Fontes et al., 2025; Barth et al., 2012). The integrated evidence suggests that fair value measurement influences comparability through accounting choice and economic representation, while the strength and direction of this relationship are moderated by accounting mismatch, measurement

observability, managerial incentives, investor monitoring, and institutional enforcement (Fontes et al., 2025; Goh et al., 2022; Barth et al., 2012).

This perspective shifts the research question from whether fair value or accounting choice is inherently beneficial or detrimental to comparability toward the more theoretically meaningful question of under what economic, institutional, and governance conditions measurement choice produces more comparable and decision-useful financial reporting (Fontes et al., 2025; Christensen & Nikolaev, 2013).

CONCLUSION

This systematic literature review finds that the relationship between fair value measurement, accounting choice, and financial reporting comparability is conditional rather than linear. Comparability depends on the interaction of measurement choice, economic representation, accounting mismatches, measurement observability, managerial incentives, investor monitoring, and institutional enforcement (Fontes et al., 2025; Goh et al., 2022).

Fair value measurement can enhance comparability when it improves economic representation and reduces accounting mismatches, particularly when reliable valuation information is available (Christensen & Nikolaev, 2013; Fontes et al., 2025). Conversely, measurement uncertainty, unobservable inputs, and managerial discretion may weaken comparability (Goh et al., 2022). Thus, accounting choice should not automatically be viewed as opportunistic or inconsistent; its consequences depend on the economic rationale underlying the choice and the institutional conditions surrounding its implementation (Fontes et al., 2025; Barth et al., 2012).

The review further shows that comparability has important economic consequences because higher comparability can reduce information-processing costs, improve analysts' forecasting activities, and increase the usefulness of accounting information in capital markets (De Franco et al., 2011; Choi et al., 2019). Theoretically, the findings integrate decision-usefulness, agency/positive accounting, institutional, and economic-representation perspectives, indicating that no single theory fully explains the relationship between fair value and comparability.

The central conceptual implication is: Fair Value Measurement → Accounting Choice → Economic Representation → Accounting Mismatch → Financial Reporting

Comparability, with the relationship moderated by measurement observability, managerial incentives, investor monitoring, and institutional enforcement (Fontes et al., 2025; Goh et al., 2022; Barth et al., 2012).

Overall, financial reporting comparability should be understood as a conditional outcome of measurement choice rather than a mechanical consequence of accounting uniformity. Future research should therefore focus on when and under what economic, institutional, and governance conditions particular measurement choices improve comparability and decision usefulness (Fontes et al., 2025; Christensen & Nikolaev, 2013).

LIMITATION

Despite its contributions, this systematic literature review has several limitations. First, the qualitative synthesis identifies patterns and theoretical relationships but does not provide pooled effect sizes. Second, contextual heterogeneity across countries, industries, accounting regimes, and institutional environments limits generalizability, particularly because evidence such as Fontes et al. (2025) focuses on U.S. banks. Third, differences in databases, keywords, search periods, and inclusion criteria may create publication and selection bias. Fourth, variations in comparability measures make direct cross-study comparisons difficult. Finally, qualitative interpretation and the absence of causal analysis limit the ability to establish causal relationships.

Future research should employ longitudinal, cross-country, and stronger causal designs, while examining measurement uncertainty, managerial incentives, institutional enforcement, investor monitoring, and different dimensions of reporting quality. Research should also extend evidence beyond U.S. banking institutions to emerging markets and other industries.

These limitations define the boundaries of the findings rather than invalidate them. The principal contribution is the conceptualization of comparability as a conditional outcome of accounting measurement and choice, rather than simply accounting uniformity. This perspective provides a basis for future research on when fair value measurement and accounting choice improve comparability and decision usefulness (Fontes et al., 2025; Barth et al., 2012).

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