

Misclassification of Investment Property: A Case Study on Selected Sri Lankan Company

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Accounting doesn't make corporate earnings or statement of financial position more volatile. Accounting just increases the transparency of volatility in earnings. Therefore, Accounting increases the effectiveness & transparency of the information that a company communicate to its all stakeholders. So every business organization should need to prepare and present the financial statements in accordance with IFRSs and IASs to provide information regarding the true financial position and performance of the business to the users of financial information in order to enable them to make effective economic decisions. In this case study report it analyzes an accounting issue of including Investment Property under the category of Property, Plant & Equipment which violate Sri Lanka Accounting Standards. In such situation, Investment Property should be disclosed separately in the statement of financial position according to LKAS 40 and how it can be done is also explained in this case study report.

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