

Revaluation of Fixed Assets Theory |

Accounting

Outline the factors that affect the price of property on the market. (2017):

- The desired use of the land (i.e. commercial // private).
- New investments and nearby projects.
- Overall state of property market (boom/recession etc.)
- Tax rates.

Why is it wise to revalue fixed assets:

- It provides useful information to users of accounts.
- It enables performance ratios to be calculated more satisfactorily.
- It gives a more realistic value for fixed assets and therefore the true value of the business.