

The Fair Value Accounting Controversy in the 2008 Financial Crisis: A Structured Literature Review

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Abstract: This research aims to explore the controversy surrounding fair value accounting (FVA) during the 2008 financial crisis. Using a structured literature review approach, this research collected 20 relevant articles on Scopus that were most cited and published in high-quality journals after 2008, and developed a suitable framework for analysis. The results of this research show that the controversy in current research is first manifested in whether FVA exacerbated the 2008 financial crisis. Secondly, this research also analyzed the controversy within different views. In addition, this research found that the controversy over FVA is most intense in the North America, while Australia and Europe show highly consistent results. Finally, this research points out that the controversy over FVA is most intense in studies using empirical research methods, while other research methods show strong consistency.

Keywords: Fair value accounting, Financial crisis, Structured literature review.

1. Introduction

Fair value accounting (FVA) has gradually become an important measurement method in financial reporting since the 1990s. Compared with historical cost accounting, FVA requires companies to value assets and liabilities based on current market prices, aiming to improve the transparency and relevance of financial statements [1]. However, after the global financial crisis in 2008, FVA has been severely criticized. A widely held view is that FVA, because it measures assets and liabilities at market value, led to a severe shrinkage in the balance sheets of financial institutions during the 2008 financial crisis, exacerbating the severe consequences of the financial crisis [2] But at the same time, there is also a view that there is no direct evidence that FVA has exacerbated the 2008 financial crisis [3].

Despite the numerous researches and controversies on FVA during the financial crisis, there have been few structured reviews and analyses in recent years. Therefore, the objective of this research is to identify and analyze the controversy of FVA during the financial crisis, and to provide valuable direction for subsequent FVA research. The specific research questions are: What was the controversy about FVA during the financial crisis? Based on this research question, this research will identify controversies in previous researches regarding the role of FVA in the 2008 financial crisis. In addition, this research will also provide suggestions for the future development of FVA.

In order to achieve the research, aim and answer the research question, this research will use previous articles as data and use qualitative research methods to conduct research. Specifically, this research will refer to the research of Massaro et al. [4] for a structured literature review. Therefore, this research will use Scopus to search for the top 20 most cited articles after 2008 that have both "FVA" and "crisis" in the title, abstract, and keywords. Due to the quality requirements of the article, all articles will be from journals classified as A or A* by the Australian Business School Deans Committee (ABDC) journal list. In addition, this research will refer to the research of Massaro et al. [4] to develop a suitable coding

framework to transcode the collected articles for further analysis.

Based on this research, the possible contribution is to identify the controversy of previous studies on FVA in the 2008 financial crisis through systematic analysis, explain the impact of FVA on the 2008 financial crisis, deepen people's understanding of FVA under the 2008 financial crisis, and provide inspiration for subsequent FVA research and the improvement of FVA standards.

After the introduction, this research has four sections, which are literature review, research methods, analysis and discussion, and conclusion. In the next section, literature review, this research will briefly sort out the key issues and literature on FVA and the 2008 financial crisis.

2. FVA and 2008 Financial Crisis

This section will introduce the basic information from previous literature of FVA and 2008 financial crisis. The concept of FVA is based on fair value, which Whittington [5] defined as the price at which an asset is sold or a liability is transferred between market participants in an orderly transaction. In addition, as an accounting measurement method, Barth [6] indicates FVA using the fair value of assets or liabilities in the market as the measurement basis. Compared to historical cost accounting, which provides information about past transactions, FVA is to provide more relevant and timely financial information by reflecting the current market value of assets and liabilities to help users make economic decisions [7]. However, if market prices fluctuate frequently, the value of assets and liabilities under FVA will also be adjusted frequently, which will lead to increased volatility in financial statements. It is for this reason, FVA has been criticized for exacerbating the 2008 financial crisis.

The 2008 financial crisis was the most serious global economic crisis since the great depression of the last century. It started with the subprime mortgage crisis in the United States and quickly spread to the world and the root cause of the crisis was the bursting of the bubble in the US real estate

market [8]. Many financial institutions issued a large number of high-risk subprime mortgages to homebuyers with low credit, however, when real estate prices fell, many borrowers were unable to repay their loans, resulting in large-scale defaults [9]. The 2008 financial crisis had serious consequences, leading to the instability of the global banking system, the freezing of credit markets, the difficulty of corporate financing, and many countries falling into economic recession [10]. After the 2008 financial crisis, some critics reflected that FVA, which uses market value to price stocks, has exacerbated the shock of the financial system, and proposed returning to historical cost accounting [11]. However, some scholars believe that FVA accurately predicts the future, and by pointing out that if there is a return to historical cost accounting, the financial crisis may be more serious [12].

In conclusion, the impact of the 2008 financial crisis was far-reaching, and the role of FVA, which uses market value as the basis for valuation, in it has been controversial. After the introduction of the basic information of FVA and 2008 financial crisis, the next section of this research will describe the research methods of this research to analyze the literature on FVA in the 2008 financial crisis.

3. Research Method

3.1. Data Collection

This research uses previous articles as secondary data. The data collection part includes the article search method and article impact measurement. The article collection method section is to ensure that the collected articles are in line with the theme of this research and can serve as data to answer the research questions of this research. The impact measurement section is to ensure that the collected articles are of high enough quality and representativeness.

3.1.1. Article search method

For article search, this research considered using the Scopus database to search all articles published after 2008 that had both 'fair value accounting' and 'crisis' in the title, abstract, and keywords.

Regarding the literature database, this research will use Scopus to search for previous articles. Scopus supports the retrieval of literature since 1966 and ensures that all journals are selected after evaluation and review, and are updated 1 to 2 times a week [13]. This ensures that the literature in the Scopus database is of high quality, wide in scope and up-to-date. In addition, Scopus has basic analytical tools that can provide a simple quantitative description of research in a specific field.

In terms of word search and literature period, this research will search for all articles that have both 'fair value accounting' and 'crisis' in the article title, abstract, and keywords after 2008. The reason for using 'crisis' instead of 'financial crisis' in the search term is that in some literature, 'financial crisis' may be replaced by 'subprime crisis' or 'banking crisis'. To ensure that the search literature is more complete, this research only uses 'crisis' to search. The publication time of the articles is limited to after 2008 because this research analyzes the impact of FVA on the 2008 financial crisis. Therefore, only the articles published after 2008 are considered to be of research significance for this research.

3.1.2. Article impact measurement

Article impact will be measured by the journal list of the Australian Business Deans Committee and the number of

citations in Scopus.

In terms of journal rank, this research will use the 2022 journal list of the Australian Business Deans Committee (ABDC). The ABDC Journal List is a comprehensive list of commonly used journals worldwide. It aims to overcome the regional and disciplinary biases of international lists and classifies journals into four levels according to quality: A*, A, B, and C [14]. In the 2022 ABDC Journal List, the FoR code representing the Accounting, auditing and accountability research field is 3501, with a total of 156 journals, of which A* accounts for 8.3%, A accounts for 19.2%, B accounts for 30.8%, and C accounts for 41.7% [15]. Therefore, this study mainly considered journal articles with FoR of 3501 and quality of A* and A for retrieval and structured literature review to ensure the quality and accuracy of articles in the accounting field. However, in this research, since financial crises are closely related to economics and capital markets, if articles with A* or A in the fields of Banking, finance and investment, Applied economics, Economic theory, and other economics, whose FoR codes are 3502, 3801, 3803, and 3899 respectively, they also will be considered.

In terms of the number of citations, this research uses the total number of citations in the Scopus database as a reference, sorting from high to low, and selecting the 20 articles with the highest number of citations in the selected journals. Using total citations or annual citation index is considered the classic way to measure the impact of an article. Articles with high citation counts are also considered to be influential in the field, allowing researchers to determine which articles are advancing knowledge and research [16].

3.2. Data Coding

The structured literature review requires the development of a reasonable framework to code the collected articles. This part includes framework definition, article coding and reliability test. The framework definition part is to develop a suitable framework for article coding to answer the research questions. The article coding part is to transcode the collected articles according to the coding framework to facilitate further analysis. The reliability test is to ensure the accuracy of the article coding.

3.2.1. Framework definition

The analytical framework of this research was based on Guthrie et al's [17] research to categorize the articles and was modified to some extent according to the research questions of this research. The research framework of this research includes four aspects: Organizational focus (A), Location (B), Research method (C), and Focus area (D). The completed framework shows in Table 1.

Among these four categories, organizational focus (A), location (B), and research method (C) are exactly the same as the framework developed by Guthrie et al [17]. As for focus area (D), this research has made some modifications based on its own situation. Some articles may focus on FVA exacerbated the 2008 financial crisis (D1) [18]. Some articles believe that FVA not relevant to financial crisis (D2) [19]. Other articles focus on summarizing previous research (D3) [2]. However, for D1 and D2, the focus areas described are too general. Therefore, this study will conduct secondary coding for D1 FVA exacerbated the 2008 financial crisis and D2 FVA not relevant to financial crisis.

Table 1. Coding Framework

Coding Framework	
A	Organizational focus
A1	Public list
A2	Public sector
A3	Not related to the organizations
B	Location
B1	North America
B2	Australasia
B3	Continental Europe
B4	South Africa
C	Research method
C1	Content analysis/historical analysis
C2	Empirical study
C3	Commentary/normative
C4	Theoretical literature review
D	Focus area
D1	FVA exacerbated the 2008 financial crisis
D1.1	Valuation
D1.2	Accounting standards
D1.3	Financial statement stability
D1.4	Pro-cyclical contagion
D2	FVA not relevant to financial crisis
D2.1	Financial regulation
D2.2	Predictive ability
D3	Summarizing previous research

For FVA exacerbated the 2008 financial crisis (D1), the existing literature focuses on four areas. First, some articles focus on the inaccurate valuation of FVA, which is defined as D1.1 Valuation [20]. Then some articles focus on the defects of FVA accounting standards, which is defined as D1.2 Accounting standards [21]. In addition, some other articles focus on FVA damaging the stability of financial statements, which is defined as D1.3 Financial statement stability [22]. Finally, some articles focus on FVA exacerbating the procyclicality of the financial crisis, which is defined as D1.4 Pro-cyclical contagion [23]. For FVA not relevant to financial crisis (D2), the existing literature focuses on two areas. Some articles believe that the 2008 financial crisis is the consequence of adverse financial regulation and has nothing to do with FVA, which is defined as D2.1 Financial regulation [24]. Others believe that FVA not only did not exacerbate the 2008 financial crisis, but made timely predictions and protected the interests of investors, which is defined as D2.2 Predictive ability [25].

3.2.2. Article coding

This research will use EXCEL to code the articles according to the analysis framework. Each worksheet will show one aspect of the analysis framework, and a total of four worksheets will be used to complete the coding of all articles. The coding result shows in Table 2.

Table 2. Coding Result Table

Article	A	B	C	D
The crisis of fair-value accounting: Making sense of the recent debate	A2	B3	C4	D3
How did financial reporting contribute to the financial crisis?	A1	B1	C3	D2.1
Liquidity and valuation in an uncertain world	A1	B1	C2	D1.1
The role of accounting in the financial crisis: Lessons for the future	A1	B1	C3	D1.2
Usefulness of fair values for predicting banks' future earnings: evidence from other comprehensive income and its components	A1	B1	C2	D2.2
Financial instruments, financial reporting, and financial stability	A1	B3	C4	D3
Accounting for financial stability: Bank disclosure and loss recognition in the financial crisis	A1	B3	C2	D1.3
Effect of the global financial crisis on accounting convergence	A2	B2	C1	D1.2
Procyclicality of U.S. Bank Leverage	A1	B3	C2	D2.1
Market reactions to policy deliberations on fair value accounting and impairment rules during the financial crisis of 2008-2009	A1	B1	C2	D1.4
The pros and cons of Fair Value Accounting in a globalized economy: A never ending debate	A2	B3	C4	D3
Information asymmetry of fair value accounting during the financial crisis	A1	B2	C2	D1.1
Enron, fair value accounting, and financial crises: a concise history	A1	B2	C1	D1.1
Fair value accounting, fragile bank balance sheets and crisis: A model	A1	B4	C2	D1.4
Faithful representation as an 'objective mirage': A Saussurean analysis of accounting and its participation in the financial crisis	A3	B2	C1	D1.3
Contagion in the interbank market: Funding versus regulatory constraints	A1	B3	C2	D2.1
The effect of noisy fair value measures on bank capital adequacy ratios	A1	B1	C2	D1.1
Fair Value Accounting: The Eternal Debate – AinE EAA Symposium, May 2018	A2	B1	C3	D2.1
Mark-to-market regulatory accounting when securities markets are stressed: Lessons from the financial crisis of 2007-2009	A3	B1	C4	D3
The IFRS option to reclassify financial assets out of fair value in 2008: the roles played by regulatory capital and too-important-to-fail status	A1	B1	C2	D1.1

In conclusion, this research uses the research method of structured literature review to collect articles that meet the requirements, develop a suitable framework to code them, and finally provide insights into the coding results. After stating the research method of this research, the next section will analyze and discuss the coding results through insights and criticisms.

4. Analysis and Discussion

4.1. Insights

4.1.1. Organizational focus of FVA and the 2008 financial crisis literature

Table 3 Organizational Focus Table shows the organizational focus on research on FVA and the 2008

financial crisis. According to Table 3 Organizational Focus Table, there are three types of organizational focus, ‘public list’, ‘public sector’, and ‘not related to the organizations’ in the 20 articles. Among them, public list is the organization that is most concerned about FVA and the 2008 financial crisis, and 14 out of 20 articles focus on public list, accounting for as much as 70%. In addition, 4 articles focus on the public sector, accounting for 20%, and 2 articles do not focus on any organization and are only pure theoretical analysis or pure literature analysis, accounting for 10%.

In terms of organizational focus, researches on FVA during the 2008 financial crisis show a high degree of consistency. Previous studies have focused more on listed companies, especially those controlled by banks or other financial companies. However, there is a lack of research focusing on other organizations. This may be because the 2008 financial crisis had the most direct and severe impact on securities trading activities and the stock market, so focusing on listed companies is more representative. Meanwhile, compared with non-listed companies, data acquisition for listed companies is relatively easy. In addition, limited research has focused on the public sector, mainly market regulators and standard setters. This may be because the emergence of the 2008 financial crisis has brought doubts to market supervision and FVA standards, so some scholars have begun to reflect on the existing market supervision system and current accounting standards. In conclusion, in terms of organizational focus, existing research focuses on listed companies, limited research focuses on the public sector, and lacks attention to other organizations.

Table 3. Organizational Focus Table

	Organizational Focus	Number (No.)	Proportion (%)
A1	Public list	14	70
A2	Public sector	4	20
A3	Not related to the organizations	2	10

4.1.2. Location of FVA and the 2008 financial crisis literature

Table 4 Research Location Table shows the location of researches on FVA and the 2008 financial crisis. According to Table 4 Research Location Table, there are four types of locations, ‘North America’, ‘Australasia’, ‘continental Europe’ and ‘South Africa’ in the 20 articles. Among the 20 articles, North America was the most common location for research on FVA in the 2008 financial crisis, and 9 out of 20 researches conducted in North America, accounting for as much as 45%. In addition, 4 researches conducted in Australasia, accounting for 20%, 6 researches conducted in continental Europe, accounting for 30% and 1 research conducted in South Africa, accounting for 5%.

In terms of location, researches on FVA during the 2008 financial crisis show a clear order, with North America being the most common location for research to be conducted, followed by continental Europe, Australasia, and South Africa. This order is basically consistent with the degree of impact of the 2008 financial crisis on different locations. North America is the most common location for research execution. It is the source of the 2008 financial crisis, and its financial system and capital market were the most severely affected by the 2008 financial crisis. After the 2008 financial crisis broke out in North America, the collapse of the entire

financial system first spread to the European continent because Europe has many countries that are highly integrated with the US financial market [26]. Therefore, the European continent became the second-ranked research execution location. However, compared with the European continent, the financial systems of Australasia and South Africa are more conservative and independent, with fewer financial industry companies and a low degree of integration with the US financial market. Therefore, Australasia and South Africa were less affected by the 2008 financial crisis and became the third and fourth research execution locations respectively. In conclusion, in terms of research locations, the frequency of research locations is highly correlated with the severity of the impact of the 2008 financial crisis on the locations.

Table 4. Research Location Table

	Location	Number (No.)	Proportion (%)
B1	North America	9	45
B2	Australasia	4	20
B3	Continental Europe	6	30
B4	South Africa	1	5

4.1.3. Research method of FVA and the 2008 financial crisis literature

Table 5 Research Method Table shows research methods of researches on FVA and the 2008 financial crisis. According to Table 5 Research Method Table, there are four types of research methods, ‘content analysis (or historical analysis)’, ‘empirical study’, ‘commentary (or normative)’ and ‘literature review’ in the 20 articles. Among the 20 articles, empirical study was the most common research method for research on FVA in the 2008 financial crisis, and 10 out of 20 researches used empirical study method, accounting for as much as 50%. In addition, 3 researches used content analysis (or historical analysis) method, accounting for 15%, 3 researches used commentary (or normative) method, accounting for 15% and 4 researches used literature review method, accounting for 20%.

In terms of research method, researches on FVA during the 2008 financial crisis show that empirical study is dominant, with other research methods being used on average. The reason why empirical study has become the dominant research method may be that FVA was controversial during the 2008 financial crisis, and the controversy led scholars to explore the causal relationship between FVA and the 2008 financial crisis. Compared with other research methods, empirical study is often replicable and neutral, and is very suitable for exploring the relationship between variables [27]. Therefore, the conclusions drawn are more convincing and universal. In addition, the reason why literature review is ranked as the second research method may be that literature review is more suitable for summarizing the research results of a period of time, pointing out the conflicts and gaps in current research. At the same time, for a novice researcher, literature review articles are the fastest way to understand and grasp the current research status and future research opportunities [28]. Therefore, articles that use literature review research methods also have a slight advantage in citations over articles using other research methods. Finally, content analysis (or historical analysis) and commentary (or normative) also have a place in research methods. Both content analysis (or historical analysis) and commentary (or normative) are typical qualitative research methods. Although

they are not as accurate as quantitative research methods such as empirical research in testing causal relationships, they can provide in-depth analysis and conclusions based on the researcher's personal perception [29]. Therefore, although content analysis (or historical analysis) and commentary (or normative) are not the dominant research methods, they also have important supplementary significance. In conclusion, in terms of research methods, empirical study is the dominant research method, but there are also qualitative research methods such as literature review, content analysis (or historical analysis) and commentary (or normative).

Table 5. Research Method Table

	Research Method	Number (No.)	Proportion (%)
C1	Content analysis/historical analysis	3	15
C2	Empirical study	10	50
C3	Commentary/normative	3	15
C4	Theoretical: literature review	4	20

4.1.4. Focus area of FVA and the 2008 financial crisis literature

Table 6 Research Focus Area Table shows focus areas of researches on FVA and the 2008 financial crisis. According to Table 6 Research Focus Area Table, there are three types of research focus areas, 'FVA exacerbating the 2008 financial crisis', 'FVA not exacerbating the 2008 financial crisis' and 'summary of previous researches' in the 20 articles. Among the 20 articles, empirical study was the most common research method for research on FVA in the 2008 financial crisis, and 11 out of 20 researches focused on FVA exacerbating the 2008 financial crisis, accounting for as much as 55%. In addition, 5 researches focused on FVA not exacerbating the 2008 financial crisis, accounting for 25%, 4 researches focused on summary of previous researches, accounting for 20%.

In order to further obtain more details of focus areas to clearly answer the research questions, this research conducted secondary coding for 'FVA exacerbating the 2008 financial crisis' and 'FVA not exacerbating the 2008 financial crisis'. According to Table 4 Research Focus Area Table, among the 11 researches on FVA exacerbating the 2008 financial crisis, 5 articles focused on valuation, 2 articles focused on accounting standards, 2 articles focused on financial statement stability, and 2 articles focused on pro-cyclical contagion. They accounted for 25%, 10%, 10% and 10% of the total 20 articles respectively. Among the 5 researches on FVA exacerbating the 2008 financial crisis, 4 articles focused on Financial regulation and 1 article focused on predictive ability. They accounted for 20% and 10% of the total 20 articles respectively.

The insights into the focus areas reflect the controversy in the research of FVA during the 2008 financial crisis. Excluding the 4 articles that summarized previous research, the controversy in the remaining 16 articles is whether FVA exacerbated the 2008 financial crisis. Those who hold the view that FVA exacerbated the 2008 financial crisis are called critics, while those who hold the view that FVA did not exacerbate the 2008 financial crisis are called defenders. Roughly speaking, the number of critics is twice that of defenders, which shows that the view that FVA exacerbated the 2008 financial crisis has a greater influence.

In terms of content, nearly half of the critics believe that

the valuation of assets by FVA does not reflect their true value, but its valuation failure exacerbated the 2008 financial crisis. In addition, nearly a quarter of the critics believe that the defects of the FVA standards themselves, such as unclear statements, have led to confusion in the practice of FVA, which in turn exacerbated the 2008 financial crisis. Moreover, nearly a quarter of the critics believe that the method of measuring FVA at market prices will cause drastic fluctuations in the book value of financial statements, disrupt the financial market, and thus exacerbate the 2008 financial crisis. Finally, nearly a quarter of the critics believe that the pro-cyclical contagion of FVA exacerbated the 2008 financial crisis, that is, the fluctuations in the financial market are amplified by fair value at different stages of the economic cycle, exacerbating market volatility.

As for the defenders, four fifths of them believe that FVA is just a neutral measurement method, and the failure of regulators to effectively supervise excessive risk behavior in the financial market and to identify and prevent systemic risks in a timely manner is the key factor that exacerbated the 2008 financial crisis. The remaining one fifth of the defenders have a more radical view. They believe that because FVA causes sharp fluctuations in the book value of assets and effectively predicts future bubbles, investors withdraw from the market as soon as possible, successfully protecting the interests of investors.

In conclusion, for focus areas, in the field of whether FVA exacerbated the 2008 financial crisis, more research focuses on valuation failures; in the field of whether FVA did not exacerbate the 2008 financial crisis, more research focuses on financial regulation failures. However, in the general direction, focusing on FVA exacerbating the 2008 financial crisis is the mainstream of current research.

Table 6. Research Focus Area Table

	Focus Area	Number (No.)	Proportion (%)
D1	FVA exacerbating the 2008 financial crisis	11	55
D1.1	Valuation	5	25
D1.2	Accounting standards	2	10
D1.3	Financial statement stability	2	10
D1.4	Pro-cyclical contagion	2	10
D2	FVA not exacerbating the 2008 financial crisis	5	25
D2.1	Financial regulation	4	20
D2.2	Predictive ability	1	5
D3	Summary of previous researches	4	20

4.1.5. Integration Discussion

This section will discuss the entire hole coding framework in an integrated manner and answer the research questions of this research. Based on the insights of the four parts of the coding framework, it can be found that the research on FVA during the financial crisis mostly considers public listed companies in North America, using empirical research methods, focusing on FVA exacerbating the 2008 financial crisis, especially in valuation.

For the first aspect of coding, organizational focus, since it shows a high degree of consistency, it has a weak connection with the other coding themes and is not considered for the time being. For the second and third coding themes, Figure 1 Location and Research Method Chart shows the research

methods preferred by researchers in different regions. The connection between the research location and research method coding is reflected in the fact that almost all North American researchers use empirical research and commentary (or normative) research methods. Australasian researchers almost all use content analysis (or historical analysis) research methods. Researchers on the European continent mainly use empirical research and literature review research methods.

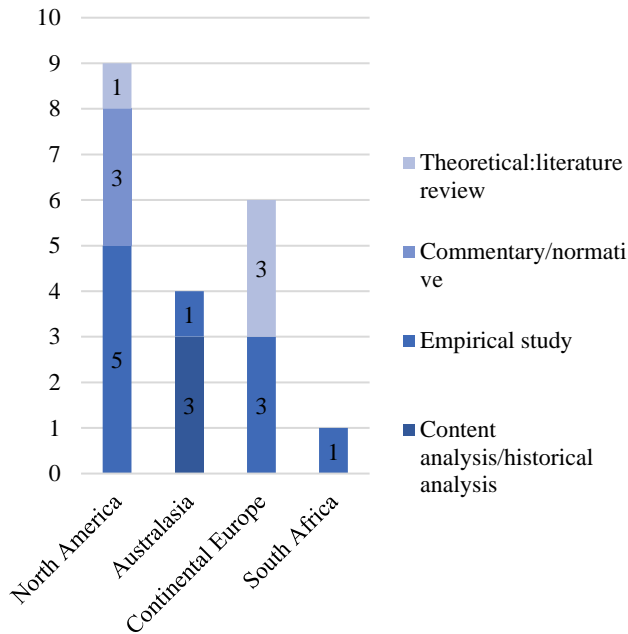


Figure 1. Research Method and Location Chart

For the second and fourth coding themes, Figure 2 Location and Focus Area Chart shows the focus areas preferred by researchers in different regions. According to Figure 8 Location and Focus Area Chart, in North America, the focus areas are very broad, but overall, the research focusing on FVA exacerbating the 2008 financial crisis is more dominant, which is consistent with the characteristics of North American research that emphasizes the expression of opinions. In addition, in Australasia and South Africa, although the focus of sub-fields is different, almost all research focuses on FVA exacerbating the 2008 financial crisis. However, in contrast to them, continental Europe is the only region where research focusing on whether FVA did not exacerbate the 2008 financial crisis is more dominant, which may be consistent with the characteristics of scholars in continental Europe who are good at summarizing and reflecting.

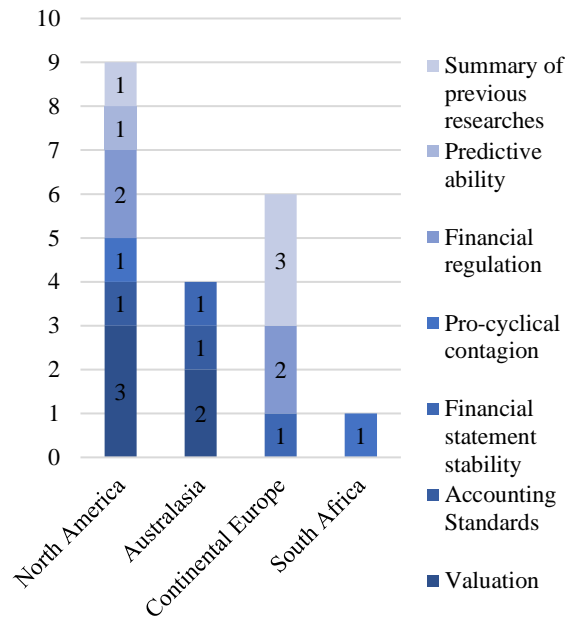


Figure 2. Location and Focus Area Chart

For the third and fourth coding themes, Figure 3 Research Method and Focus Area Chart shows the research methods preferred by researchers in different focus areas. According to Figure 3 Research Method and Focus Area Chart, for studies using the content analysis (or historical analysis) method, all of them focus on FVA exacerbating the 2008 financial crisis. The researches using the empirical study method focus on a wide range of areas, but overall, the FVA exacerbating the 2008 financial crisis has a greater advantage. Although most empirical studies are considered neutral, there are still inconsistencies and even opposite situations in the focus areas. This once again illustrates the controversy in current research, that is, whether FVA exacerbated the 2008 financial crisis. However, studies using the commentary (or normative) method focus more on whether FVA did not exacerbate the 2008 financial crisis.

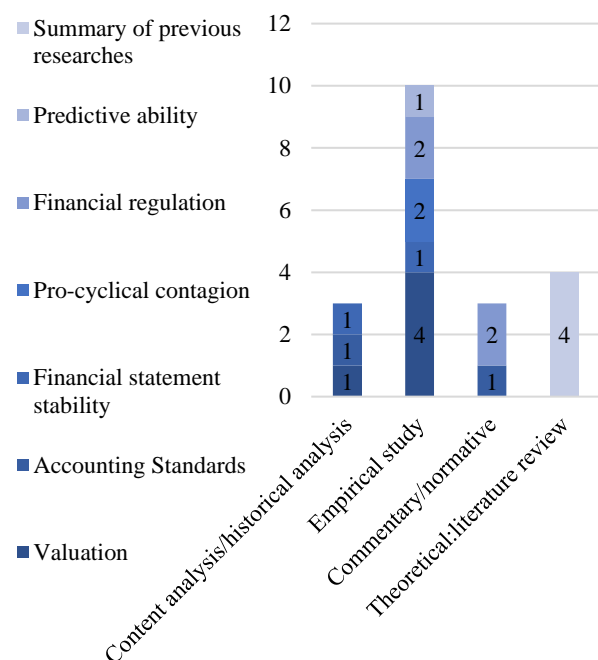


Figure 3. Research Method and Focus Area Chart

Based on the independent analysis of each code and the integrated analysis, the research question of this research will be answered. The main controversy about FVA in the 2008 financial crisis is whether FVA exacerbated the 2008 financial crisis. Supporters believe that the valuation failure of FVA, the defects of accounting standards, the damage to the stability of financial statements and the amplification of pro-cyclical contagion exacerbated the 2008 financial crisis. Opponents believe that the 2008 financial crisis is mainly the responsibility of financial supervision, and FVA as a neutral measurement method not only did not exacerbate the financial crisis, but also effectively predicted the crisis and protected investors. In addition, from an internal perspective, this controversy is most intense within North America and within research using empirical methods. At the same time, from an external perspective, this controversy is also fierce between two different research locations in continental Europe and Australasia, and between two research methods: content analysis (or historical analysis) and commentary (or normative). However, in conclusion, FVA is considered more dominant in the controversy for exacerbating the 2008 financial crisis.

4.2. Critique

This section provides a critique of the four themes of the framework based on the insights in the previous section. The purpose of the critique is to reflect on the limitations of current research and to provide ideas for future research on FVA in financial crises.

From the perspective of organizational focus, current research on FVA in the 2008 financial crisis has neglected research on non-listed companies, especially small and medium-sized enterprises. Although the impact of the 2008 financial crisis on the entire business is most directly reflected in the stock market, the difficulties faced by non-listed companies and small and medium-sized enterprises are also serious [30]. Studying the impact of the use of FVA in small and medium-sized enterprises and non-listed companies on the 2008 financial crisis can understand the role of FVA in the 2008 financial crisis from another perspective. At the same time, it can provide a basis for improving the revision of accounting standards.

From the perspective of location, the current research on FVA in the 2008 financial crisis lacks research in Asia, Africa and Latin America, especially in developing countries. Although the 2008 financial crisis originated in the United States and FVA was first implemented in developed countries, after the millennium, most developing countries also introduced FVA and were severely affected by the 2008 financial crisis [31]. Studying the role of fair value in the 2008 financial crisis in developing countries can enhance the understanding of applicability and limitations of FVA in different economic contexts. At the same time, it can provide a basis for countries to choose and formulate revisions to accounting standards that are suitable for them.

From the perspective of research methods, current research on FVA in the 2008 financial crisis lacks interaction with people, especially interviews and questionnaires. Current research is oriented to testing the relationship between FVA and the 2008 financial crisis and aims to provide evidence, but lacks exploration and subjective understanding. However, economic activities are based on human activities and psychology, especially behavioral finance theory refutes the assumption of rational people in neoclassical economics [32].

Therefore, in the field of economic markets, ignoring human psychology and purely analyzing the role of FVA in the 2008 financial crisis is limited. If research methods that emphasize interaction with people are adopted in research methods, such as interviews or questionnaires, then a more comprehensive understanding of the role of FVA in the 2008 financial crisis can be achieved, and even new conclusions can be obtained.

From the perspective of the focus area, the current research on FVA in the 2008 financial crisis is relatively comprehensive, involving both the macro field and the micro level. However, from the perspective of disciplines, there is a lack of connection with other social science disciplines. Current research still focuses on the fields of economics, finance and accounting. However, the 2008 financial crisis is not just a financial issue, it has a close relationship with political science, sociology, law and psychology [33]. Therefore, when studying the role of FVA in the 2008 financial crisis, the conclusions drawn from the perspective of economics, finance and accounting alone may have limited practical significance because of the lack of linkage with the entire social science. If sufficient interdisciplinary research can be achieved in the study of FVA in the 2008 financial crisis, it will promote the improvement of accounting standards and the development of the economy and society.

Based on the above criticisms of the four aspects of the framework, this study proposes reference directions for future research on FVA in the 2008 financial crisis. First, future research can focus more on non-listed companies, especially small and medium-sized enterprises. Second, future research can consider conducting research on FVA in the 2008 financial crisis in Asia, Africa and Latin America, especially related to developing countries. In addition, future research can adopt more interactive research methods with people, such as interviews and questionnaires, to understand the role of FVA in the 2008 financial crisis from a human perspective. Finally, more interdisciplinary researches can be carried out in the future, linking other social sciences with business, so that the research on FVA in the 2008 financial crisis has more practical significance. In conclusion, current research has limitations in non-listed companies, Asia, Africa and Latin America, research methods for interaction with people, and interdisciplinary research. However, these limitations can also be considered as directions for future research on FVA in the 2008 financial crisis.

5. Conclusion

This research focuses on previous research on FVA in the 2008 financial crisis and aims to answer the research question of what is the current controversy about FVA in the 2008 financial crisis. In order to answer the research question, this research uses structured literature review, constructs a coding framework from the perspectives of organizational focus, position, research method and focus area, and reviews 20 relevant papers in the A and A* journals in the ABDC Journal List with the highest citation volume in the Scopus database after 2008. After an insight into the 20 articles, this research found that the vast majority of studies focus on listed companies, and research on North America and empirical research methods are mainstream. As for the research question of this research, after in-depth analysis, this research believes that the current controversy about FVA in the 2008 financial crisis is mainly whether FVA has exacerbated the 2008 financial crisis. In addition, there are also disputes within different view holders. However, in general, the view

that FVA exacerbated the 2008 financial crisis is the mainstream. For this view, more studies believe that FVA exacerbated the 2008 financial crisis due to valuation failure. For the opposite view, the most defense claims that the 2008 financial crisis is the responsibility of financial supervision, not FVA. Finally, this research provides constructive criticism of current research, points out the limitations of existing research, and provides ideas for future research on FVA during the 2008 financial crisis.

Based on the results and analysis of this research, this research has contributed to the development of accounting, economics and finance. The theoretical contribution of this research is to identify the controversy of FVA research in the 2008 financial crisis, and present it in a visual way such as tables and figures, and provide ideas for future research on FVA in the 2008 financial crisis through criticism. The practical contribution of this research is to identify the possible limitations of the current FVA and financial regulatory system through the analysis of the current research on FVA in the 2008 financial crisis, and provide direction and evidence for accounting standard setters and financial regulators to improve accounting standards and financial regulatory systems.

Although this research has theoretical and practical contributions, it also has some limitations. First, the sample size of this research is slightly small. Although this research measures the influence of the research by citations, the research on FVA in the 2008 financial crisis is an enduring topic from the perspective of research in the entire field. Therefore, although 20 articles may be representative, the number may not be enough. In addition, there may be bias in the sample selection of this research. This research uses the ABDC Journal List as the basis for measuring high-quality journals. However, some high-quality journals may not be included, such as some ABS 4-star journals or SSCI Zone 1 journals. Therefore, the statistics of the coded data in this research may be inaccurately representative. Finally, the coding of the focus area in this research may not be accurate enough. Only one colleague conducted a secondary coding proofreading in this research, and few scholars in previous related studies used the research method of structured literature review, which made this research lack previous focus area coding that can be referenced. Therefore, this research may have the possibility of inaccurate expression or classification of coding indicators in the focus area. In subsequent research, if scholars want to continue to use the structured literature review method to conduct more in-depth research in this field, they can consider circumventing these limitations to promote the further development of research in this field.

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