

# **ANNUAL FINANCIAL STATEMENTS IN CAMEROON: REASONS AND EXPLANATIONS OF THE CHOICE OF ASSET VALUATION METHODS**

## **LES ETATS FINANCIERS ANNUELS AU CAMEROUN : RAISONS ET EXPLICATIONS DU CHOIX DES METHODES D'EVALUATION DES ACTIFS**

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## Abstract

This article aims to understand the reasons and explanations for the choice of asset valuation methods when preparing annual financial statements within Cameroonian entities. To achieve this objective, initially an observation of the annual financial statements of 80 entities was made over a period of 10 years, which enabled us to observe a preference for the historical cost method compared to other methods. Secondly, seven entities agreed to provide us with the reasons and explanations for their choice via semi-structured interviews. It emerges that the cost factor of the present value method is that factor which directs the entities towards the historical cost having a zero cost. This cost is explained by the existence of the fees to be paid to the appraisers, the tax on the difference in the revaluation and the insurance premium which is a function of the value of the balance sheet. Other reasons, such as the subjectivity of current value methods and the flexibility of the historical cost method, were rarely mentioned by respondents. The cost factor of the present value method seems to outweigh the others.

**Keywords: financial statements, choice of methods, positive theory of accounting, historical cost, present value**

## Résumé

Le présent article se propose de comprendre les raisons et explications du choix des méthodes d'évaluation des actifs lors de l'élaboration des états financiers annuels au sein des entités camerounaises. Pour atteindre cet objectif, dans un premier temps une observation des états financiers annuels de 80 entités a été faite sur une période de 10 ans, ce qui a permis de constater une préférence de la méthode coût historique sur les autres méthodes. Dans un deuxième temps, sept entités ont accepté de nous fournir les raisons et explications de leur choix via des entretiens semi-directifs. Il en ressort que le facteur coût de la méthode en valeur actuelle est celui qui oriente les entités vers le coût historique ayant un coût zéro. Ce coût s'explique par l'existence des honoraires à payer aux évaluateurs, l'impôt sur l'écart de la réévaluation et la prime d'assurance qui est fonction de la valeur du bilan. D'autres raisons comme la subjectivité des méthodes en valeur actuelle et la souplesse de la méthode coût historique ont été peu évoquées par les répondants. Le facteur coût de la méthode en valeur actuelle semble emporter sur les autres.

**Mots clés : états financiers, choix des méthodes, théorie positive de la comptabilité, coût historique, valeur actuelle**

## Introduction

Financial accounting is, for both internal and external users, A process for preparing and publishing annual accounts and a source of information for evaluating the financial situation and performance of a company (Mayéglè et al, 2014), It remains decisive for the success or failure of an entity (Jouali and Faracha, 2021). It provides information through the so-called summary documents. (Financial statement). The central document of the financial statement is the balance sheet and its preparation is based on the principles and methods defined in advance by an accounting legislator. He is perceived as an immediate (photographer) of an entity (moneyable) for the entity. Purely descriptive. This static perspective of accounting clearly confirms its nature and its object: It translates a posteriori of the monetary performances resulting from the joint action of a set material, immaterial, and human factors... The analogy with the photographer must be pushed further. The older of a family photo is, the it takes on a purely (sentimental) character and move away from the present. The characters in the photo have aged and no longer have the same physiognomy. The same applies to the values of a balance sheet, hence the need for recent financial statements.

The first and oldest asset valuation method is the (historical cost) method. When a good « enters » into accounting. It seems logical, and it is the customary, to give it as its value the price paid to acquire it or the cost borne to produce it. This method of valuing assets basis of their historical cost came under a so-called principle of prudence which, moreover, prohibited the recognition of any increase in the value of certain assets. The second and most recent is the ( fair value) estimate which is defined as ( the amount for which an asset could be exchanged, or a liability extinguished , between knowledgeable, consenting parties, and acting under conditions of normal competition.) since January 1st 2013 , IFRS13 gives a slightly amended definition but having the same tenor : ( the price which would be received for the transfer of a liability during a normal transaction between market interventions on the date of evaluation). In the Africa context (francophonies), accounting and accounting standards have always been inspired by the accounting model of the continental Europe (Ngantchou, 2011). The latter is based on the historical cost method. The french-speaking Africa countries accounting framework has experienced a certain incremental evolution (Degos and Souleymanou, 2018). The phenomenon of globalization inevitable leads to a convergence towards the harmonization of accounting standards (Dicko, 2006). Starting from the OCAM chart of accounts (1970-1985) toward a new accounting framework which reconciles the two assets valuation models at historical cost and at fair value. This reconciliation is observed from articles 35 and from 62 to

65 of the OHADA uniform act (2002-2017), relating to the organization and harmonization of the company accounts article 35: the method of valuation of the items recorded in the accounts is based on the historical cost convention and application of general principles of prudence and business continuity. However, the elements may be reassessed under conditions set by the competent authorities, and in compliance with the provisions of articles 62 to 65. The articles below sufficiently show the will of the OHADA legislator to let the companies of its geographical area make a choice of the evolution of their tangible and financial assets either at ( historical cost) or at ( fair value) according to their expectations. Despite the accounting options offered by the OHADA legislator in term of methods for estimating tangible and non-tangible assets, the analysis of the annual financial statement of 80 unlisted cameroonian companies over a period of 10years (2009-2018) led to observing a preference of the (cost history) compared to other methods. This observation leads us to question ourselves on: what are the motives that precede the choice of methods of valuation of tangible and financial assets in Cameroonian companies during the preparation of financial statement? The guideline of this research is to understand the reasons and explanation for the choice of assets valuation methods within Cameroonian companies when preparing the annual financial statement. Which structures this research into three parts; the first addresses the different asset of valuation methods, the provisions of SYSCOHADA relating to the valuation of tangible and financial assets and the explanatory work on the choice of accounting methods; the second presents the study methodology of the statement of the study and the last focuses on the results.

### **1- Asset Valuation**

The emergence of national and international accounting standards towards fair value accounting has encouraged accounting options for the valuation of tangible and financial assets, so that companies around the globe face choices. If the problematic of value and choice methods arises in accounting, it is firstly because a certain number of economic, legal and financial constraints arise (labardin and febre 2011) on this subject, companies must make a choice of methods for valuing their assets. Thus, giving them a true picture of their assets. Since the balance sheet is supposed to represent the assets of the company. Care must be taken to ensure that the rules used for the valuation of capital assets accurately reflect its consistency (De Bissy, 2005).

Two camps oppose each other on the issue of value in accounting. On the one hand, supporters of the fixed value who mobilize the method of valuation at the historical cost with the corollary of the principle of prudence to measure the value of a company's assets. On the other hand,

advocates of fair value measurement. They believe that the valuation of assets must be done in real time (Bignon et al. 2004). Fair value is more closely related to the « sincere » or « fair » value of the assets (Obert, 2003)

## **1.1 Asset Valuation Bases**

### **1.1.1 Historical Cost**

The historical cost of an asset at the time of its acquisition or creation is the amount of the costs incurred for the acquisition or creation of the asset, which includes the consideration paid for this purpose and the transaction costs. The historical cost of a liability at the time it is incurred or terminated assumption is the value of the consideration or assuming that liability, less transaction costs.

### **1.1.2 Current Value**

Current value valuation, provide information about assets and liabilities as well as income and expenses related to them. Expressed in currency, using data update to reflect the conditions existing at the date of evaluation. Current value valuation bases include :

- Fair value
- Value in use for assets and redemption value for liabilities
- The current cost.

### **1.1.3 Fair Value**

The concept of (fair value) can be understood as (the amount that would be received on the sale of a good or be received on the sale of a good or paid for the transfer of a debt during a normal transaction between economic agents on a give market on the estimated date)

### **1.1.4 Use value and refund value**

Utility value in use is the present value of the cash flows (or other economic benefits) that the entity expects to derive from the use of an asset and its disposal at the end of its useful life. The redemption value is the present value of the cost (or other economic resources) that the entity expects to derive have to transfer ta discharge a liability. These sums or other economic resources include not only those to be transfered to the creditor, but also those that the entity expects to have to transfer to third parties in order to be able to discharge the liability.

### 1.1.5 Current cost

Current cost is, like historical cost, on entry value: it reflects the market price on which the entity would acquire the asset or incur the liability. In this respect, it differs from fair value, utility and redemption values, which are output values. However, unlike historical cost, the current cost reflects the conditions prevailing at the valuation date.

### 1.2 The provisions of Syscohada relating to valuation of tangible and financial assets

The method of valuation of items recorded in the accounts shall be based on the convention of historical cost, prudence and the basic assumption of continuity of operation. However, an entity may revalue tangible and financial fixed assets in compliance with the provision of articles 62 and 65 below. The free revaluation decision shall be taken by the management bodies of the entity which shall indicate: the method used, the list of items in the relevant financial statements and the corresponding amounts, the tax treatment of the revaluation difference. The competent authorities of each state party may establish a mechanism for the revaluation of the assets of entities. This so-called legal revaluation may derogate from the provisions of articles 62 to 65 below (article 35).

In accordance with the provision of article 35 of this uniform act, the revaluation must relate to the tangible and financial fixed assets. This revaluation results in the substitution of a so-called revalued value for the previously recognized net value. All partial revaluation is prohibited. The difference between the revalued values and the previously recognized net values is the revaluation difference for all revalued items. The revaluation difference is recorded separately on the liabilities side of the balance sheet in shareholders equity (article 62).

The revalued value of an item may not, under any circumstances, exceed in fair value, on the date taken into account as the starting point of the revaluation that, its current value, as defined in article 42 of the AUDCIF. The effective date of closing date of the revaluation exercise (article 63). The revalued value of depreciable fixed assets is used as the basis for calculating depreciation over the useful life remaining to run since the opening of the revaluation exercise, except for revision of the depreciation plan, pursuant to the provision of the last paragraph of the 45 of this uniform act (article 64). The revaluation difference may not be included in the profit or loss of the revaluation exercise. It is not distributed. It may be incorporated in whole or in part into the capital (art 65).

### 1.3 Explanatory work on the choice of accounting methods

#### 1.3.1 . Choice of accounting methods under the prism of accounting policy

According to Casta and Raymond (2009), the accounting policy covered all the choices made by the leaders finally to act on the accounting number in order to shape the content or the form of the financial statements published while respecting the regulatory constraints. Accounting the policy leading to an increase or reduction in the accounting result in the companies and can be done deliberately or not by the managers of the companies.

It is based on lawful and concerted action underpinned by the pursuit of objectives set by the leaders. However, it may be the expression of implicit or even inconsistent accounting choices.

In a broad sense, accounting policy encompasses a broader field comprising:

- The choice (or modification) of valuation methods relating to the annual, consolidated or half-yearly financial statements, and including more particularly the choice of modeling the fair value of assets and liabilities.
- The choice (or modification) of the methods of representation of the annual financial statements.
- The determination of the volume and the degree of aggregation of the information published in the financial statements and more particularly in the appendix to the annual or consolidated accounts.

In the OHADA context, the options can be listed in the table below

**TABLE 1: the options offered by the legislator SYSCOHADA**

ELEMENTS	OBJECTS	OPTION 1	OPTION 2	OPTION 3
Fixed assets	amortization	Linear	decreasing	Mode of production unit
Financial fixed assets	Evaluation Evaluation	Historical cost Historical cost	Current value Current value	
Stock valuation	Evaluation	Weighted average unit cost	First entry first exist	

Source : Authors

### **1.3.2. The positive theory of accounting at the heart of work on the choice of accounting methods**

The work on accounting policy choices is essentially based on the positive theory of accounting developed by two researchers from the Rochester school of accounting that is Watts and Zimmerman in 1978, 1979, and 1986. The authors examined accounting practice and also modeled the behavior of managers in accounting policy choices.

According to Asma (2016), research on accounting choices can be listed in three groups; the first group of researchers develop the application of the choice of application of one accounting framework compared to another. Example: IFRS or US-GAAP; the second group examines the timing of optional adoption of a new accounting standards and the third group examines the research of choice between accounting methods within an accounting framework. This study is in line with the studies of the third group in order to understand the reasons for the choices of valuation methods for assets in the unlisted Cameroon companies when preparing the annual financial statements. The positive accounting theory also called politico-contractual theory is a theory that tries to understand the reasons associated with the choice of accounting methods in the companies and the political motivation accounting conducted by the leaders. Watt and Zimmerman tries to model the behavior of the actors according to the accounting choices through 3 assumption which are:

- The debt assumption : indebted companies should be prioritize the methods maximizing the accounting result ;
- Hypothesis of remuneration : the managers of compagnies offering part of the result to managers should give preference to accounting options that maximize the result ;
- The assumption of size or political enviroment.

Several studies in a developed countries (America, Europe and Asia), have to amass Watt and Zimmerman steps (aitken and loftus, 2009, beattie and al 1994, astaminand tower, 2000, filed and al, 2001, holthausian, 1990, inoue and thomas 1996, missioner, 2004, cotter, 1990, bowen and shores, 1995, cullinan 1999, cullinan and knoblett, 1994, melis 2007, oswald 2008, rahnan and scapens 1988), most of these studies focused on a large companies. Which sparked many criticism of Watt work and Zimmerman. We are most interested inthe systhesis of critics of Demaria (2008) and Jean Jean (1999) in order to better to apprehend the reason and explanation of the methods of choice asset assessment when developing annual financial statement of



Cameroonian context. Below is the status of the summary of criticisms against Watt and Zimmerman.

**Table 2: Opposite critics of Watt and Zimmerman**

ELEMENTS OF CRITIC	TENOR OF THE CRITIC	AUTHORS
Maximization of the utility	<ul style="list-style-type: none"> <li>- Hypothesis not empirically founded, (catch-all)</li> <li>- Hypothesis because everything can be justified by resorting to utility</li> <li>- Maximization is not a hypothesis but a tautology. That is a statement that is true by definition and cannot be refuted utility maximization is done without any reference to future time periods and the consequence of choices on the future.</li> </ul>	STERLING (1990) BOLAND and GORDON(1992) JEAN JEAN(1999) CHABRAK(2002)
opportunism	Opportunism cannot explain all behavior	HOLTHAUSEN(1990) LAMBERT and SPONEM (2006)
Agent passivity	The agents undergo the constraint of the environment and decide accordingly but they do not try to make it evolve agents are passive objects	GOMEZ(1996) JEAN JEAN(1999) KABIR(2006)
Political cost	Measuring political costs by size assumes that large firms are taxed more. Which is not always proven	CHABRAK (2002) MILNE(2002)
Contract cost Compensation contract	In France, In particular, variable compensation and the allocation of stock options are much less widespread than in the United States	JEAN JEAN (1999) CASTA(2000)

<p>Contract cost Debt contract</p>	<p>The contractual clauses are specific to each loan contract. Coding 0 or 1 loses a large part of the information contractual cases are very widespread in north America but not so much in Europe</p>	<p>HALL(1994) SAADA(1995) DUMONTIER and RAFFOURNIER (1999) BILODEAU and AL(2005)</p>
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Source : Demaria (2008)

According to JeanJean (1999), the samples of studies on the choice of accounting methods are essentially made up of large listed companies. This characteristic calls into question the existing companies are mainly small and where the financial market remains embryonic. In Africa, accounting decisions are often conditioned by tax considerations which reflect the managers concern to pay less tax and to benefit as much as possible from tax advantages (Ananga and Makani, 2018). In this present research we take into account these criticisms addressed to the positive theory of accounting in order to better understand the reason and explanations for the choice of asset valuation methods in cameroonian consisting essentially of unlisted companies and also the consideration of the observation of the annual financial statements can guide us towards a better understanding of the theme of the choice of asset valuation methods the cameroonian context.

### 1.3.3 Status of studies on the choice of accounting methods carried out in Africa

The Africa continent has not remained on the sidelines of studies on accounting choices. The table below summarizes work on the theme of the choice of comparable methods

**Table: 3: admitted criticisms of studies carried out in Africa**

AUTHORS	DISCUSSED SUBJECTS	CRITICAL
Ananga and Makani(2018)	What determinants for the accounting policies in cameroonian SMSs	<p>Taking into accounting the assumption of executive compensation through bonus plans and stock options to understand the accounting policy within cameroonian SMSs is simplistic. Motivation strategies for staff in general and managers in particular are rare practiced in africa companies in general and in cameroon in particular.</p> <p>The strategy of stock option has unfortunately not entered the customs of cameroonian leaders (Ngok Evina ,2010 ) and company size hypothesis is not always proven ( Chabrak 2002 and Milne 2002)</p>
Waweru and al ; 2011	The determinants of the different accounting methods in Tanzania: approach of the positive theory of accounting.	The author has focused only on a sample of listed companies in Tanzania, waht about unlisted companies in the same country.
Dey and aL, 2007	Determinants for the choice of accounting in Egypt	Despite the fact that the author has chosen a larger sample, made up of large listed and unlisted companies, his study remains limited because the author interested in the determinants of the accounting choice within Egyptian companies throuh amortization methods and

		<p>inventory valuation methods without looking at asset valuation methods when drawing up the annual financial statements, which remain relevant.</p>
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**Source:** Authors

## 2. Methodology used

The non-participant observation of the annual financial statements at the level of the tax centers for medium-sized enterprises (CIME) and the directorate for large enterprises (DGE) of ministry of finance has led us to note that Cameroonian companies prefer the historical cost when preparing of annual financial statements. Taking into account the observation and the limits addressed to the work of Watt and Zimmerman (1978, 1979 and 1986) are decisive for the choice of the methodology used in this work. To better understand the reasons and explanations for the choice of asset valuation methods when preparing annual financial statement in the Cameroonian context, we opted for the semi-structured interviews. This choice is likely to shed light on the issue of the choice of asset valuation methods in the Cameroonian context.

In management sciences, we generally consider three opposing epistemological paradigms; positivism, constructivism and interpretivism: interpretivism being often presented as avriant of constructivism (Girod-Perret and Seville, 1999). The choice of the interpretative method depends on the objectives studies: in oue case; it is a question of understanding the reason and explanation of the choice of asset valuation methods when drawing of the annual financial statements. Which led us to use the qualitative method via semi-structure interviews. All work qualitative research in management sciences must be interpretivist in the sense of Popper (1979).

We must systematically take an interest in the interpretation given by the actors themselves of the situations in which they find themselves (Dumez, 2010)

To this end, we have developped a maintenance guide, based on the non participating observation of the annual financial statements at the CIME and DGE level of the ministry of finance mentioned above. Of the 80 observation companies, only 07 accepted the interview by us.

The table below provide an interview report on the characteristics of the companies and the respondents.

**Table 4: compliance with annual financial statements at the level of CIMEs and DGEs**

GENERAL MANAGEMENT OF TAXES	BUSINESS NUMBERS OBSERVE	ELEMENTS OBSERVE	ACCOUNTING YEAR OBSERVE	CONCLUSION OF OBSERVATION
CIME	72	Valuation methods for tangible and financial asset Contained in the annual financial statements	Observation relates to the exercises Accounting 2009 and 2018	Historical cost reference when developing. Annual financial statements
DGE	08			
total	80			

**Source:** ourselves from the data observed at the DGE and CIME

**Table 5: characteristics of the companies having accepted the interview**

COMPANIES	SECTORS OF ACTIVITIES	YEAR OF CREATION	LEGAL STATUS
Company 1	agroalimentary	1948	SA
Company 2	transport	1999	SA
Company 3	Textile	1965	SA
Company 4	Tanker	1979	SA
Company 5	BTP	1984	SARL
Company 6	Agricultural	1954	SA
Company 7	Agricultural	1974	SA

**Source:** ourselves from the field data

**Table 6 : respondent characteristics**

COMPANIES	POSITION OCCUPIED WITHIN THE COMPANIES	FIELD OF STUDY	SENIORITY	DURATION OF THE INTERVIEW
Company 1	Accounting assistant manager	Financial comptability	12 years	1h20min
Company 2	Head of financial accounting	Financial comptability	20 years	49 min
Company 3	Responsible for the accounting operation	Financial comptability	15 years	59 min
Company 4	Head of financial accounting	Financial comptability	10 years	1h33 min
Company 5	Accounting assistant manager	Financial comptabilit	13 years	1h15 min
Company 6	Head of financial accounting	Financial comptability	11 years	52min
Company 7	Head of fixed asset accounting	Financial comptability	18 years	1h15 min

**Source:** ourselves from the field data

### 3. Result and Discussion

Several elements of response were collected through interviews in order to better shed light on the reason and explanation for the choice of asset valuation methods during the preparation of annual financial statements in the Cameroonian context. The elements of answer turn and first refer to the problem of the cost to be borne by a company, revaluation and finally the problem related to the flexibility of the historical cost methods.

#### 3.1. High present value method costs

The existence of costs to be borne by a company opting for a free revaluation of its balance sheet at the end of the year constitutes a limiting factor. This leads to automatically choose the historical cost method appraisers, the tax on the revaluation difference and the insurance premium which is a function of the balance sheet value. These costs lead companies to opt for historical cost at the end of each year in order to maximize the company's accounting result. We illustrate our argument with the verbatim below.

For company 1: the revaluation of assets entails additional costs and objectively does not have a profit, but rather additional expenses...

Company 2 also takes into account the cost of the method in its choice: for the moment the other methods do not interest us, because they are difficult to carry out and also the choice of methods other than the historical cost, exposes us to charges such as tax on the gap revaluation and increase in the insurance premium which is a function of the capital.

In order to maximize the accounting result. Cameroonian companies prefer zero cost methods.

For company 3: we wanted to choose methods other than the historical cost, given the cost of the revaluation: the company remained on the historical cost. Currently the cost of the operation is high for the company, it is difficult to support it in an accounting exercise. At the beginning, we had this project to update our assets, there were calls for tenders and the responses to the calls for tenders were submitted to the board of directors. There after, they notified us that the cost of the operation was high for the company.....

And company 6: we had to send correspondence for the free revaluation. The board of directors raised the problem of the cost of the revaluation which remains high....

Despite the will of Cameroonian companies, the cost factor obliges them to opt for the historical cost.

Respondents from companies 4 and 5 did not remain indifferent. For company 4 the respondent state that (the choice of the company is based on the historical cost for reasons of high cost of

the other methods of discounting. The cost of the revaluation forces us to choose the historical cost method) for company 7, the tax and operational costs generated by the free revaluation oblige them to remain faithful to the historical cost... (The state does not accompany us with the free revaluation, the limits of the free revaluation are the tax constraints, the revaluation surplus is imposed, since the revaluation of 2013 until today we are fighting with the tax authorities. We had a difference of 20 billion, suddenly (the tax pressure does not leave us). If we seek to do the free revaluation, we will be forced to face revaluation, the pressure tax. If I now want to reevaluate every two years to really restore the economic value of my company. Necessarily I will fall too or late on the blow of a tax adjustment. As you know the Cameroonian tax authorities, it is not like elsewhere. One has the impression when the taxman goes down for the controls. That he comes with a quantified objective... the expenses of consultation of expert firm and these charges are costly for the company: to bring in an expert whom I will pay five million to carry out the revaluation of the fixed assets. It must be understood that the company is an entity to achieve profits, it is the profit that we are looking for, we must also look at how we are increasing the charges. The verbatim above suggesting the idea that the cost factor is decisive for the choice of asset valuation methods when drawing up annual financial statements within Cameroonian companies.

### 3.2. Subjectivity of present value methods

Despite the advantage of the current value valuation method. Some respondents believe that it is not objective. Letting humans estimate asset values through cash flow discounting technique can lead to subjective estimates. The above statements are corroborated by the following verbatim:

For respondent 1: this fair value itself is subjective because it derives from probabilistic studies....

Company 1 prefers the historical cost at the end of the year because of the objectivity of the latter. The respondent from company 2 did not remain indifferent to the subjectivity. For him, (it we have units of measurement to very easily determine the value of a revalued fixed asset, it's very good. So it's universal. I told you here that if we take 5 to 6 experts to evaluate a fixed asset, we will arrive at different values: suddenly we find ourselves in the subjectivity and that gives way to all. We know what humans are capable of manipulating data

The subjective nature is decisive for certain companies in the choice of asset valuation methods when drawing up annual financial statements. The comments of the respondents above



corroborate the work of Bernhim and Escaffre, according to the authors, only the values from active markets (coastal, liquid, organized) can claim the qualities of objectivity and neutrality: assuming that the preparers are sincere in determining the fair value, this (fair value) retains a very relative reliability, and that in any case it is neither always objective nor always neutral. It goes without saying that the use of technical valuation models for measuring fair value, which reflect management's vision of what the future will be and the choice of parameters and assumption of the model, is highly detrimental fair value objective.

### **3.3. Flexibility of the method (Historical cost)**

Some respondents cited the flexible nature of the historical cost method as the reason for choosing the latter. This is the case of the respondent from company 2: the reasons are the monitoring of fixed assets, the possibility of justifying easily. You see it's quite difficult when you have fixed assets which amount to hundreds of billion. Company 5 is not indifferent to the flexibility of the historical cost method: the flexibility and the zero-cost of the historical cost method lead us to opt for the choice of historical cost.

## **Conclusion**

The purpose of this article was to understand the reasons and explanations for the choice of asset valuation methods during the preparation of annual financial statements in Cameroon. Several reasons were given through the verbatim taken from the semi-structured interviews. We let us remember that the cost factors, the subjectivity of the current value method and the flexibility of the historical cost method, are determining factors in the choice of asset valuation methods. The cost factor seems to out weigh the other factors because most of the respondents pronounced the cost factor of the present value method limiting companies to stick to historical cost despite the benefits.

As a contribution, this research, starting from the limits of existing theories and works, will contribute to further enrich accounting sciences through the reasons mentioned by respondents when making their choice and also to report to the member states of OHADA and the legislator OHADA restrictions on the free revaluation of assets. Which can even prevent companies from going public, since if they opt for going public, they would be called upon to revalue their assets each year. This study invited those involved in legislation OHADA accountant to relax the conditions of free revaluation, so that companies embark on the world of current value which can thus lead to their future listing on the stock exchange.

The perceived limit of this work relates to the reduced number of respondents, 7 out of 80 companies approached. This opens it up to the prospect of extending it to the various other member countries of OHADA and also a study on the opinion of users of financial statements in relation to preferences of asset valuation methods.

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