

# **Audit of the New Economic Model: A Study on Revenue Recognition, Value Measurement and Audit Challenges in the Platform Economy**

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## **Abstract**

As the core form of the new economic model, the platform economy encompasses diverse business types including the sharing economy and the gig economy. Its traits of virtualized transactions, diversified participants and intricate revenue models have exerted a profound impact on the traditional accounting systems for revenue recognition and value measurement, as well as on practical auditing work. This paper starts with the business characteristics of the platform economy to analyze the core difficulties in judging the timing and amount of revenue recognition, as well as in measuring virtual assets and platform value. Combined with current accounting and auditing standards, it explores the unique challenges faced by audit procedures, risk identification and evidence acquisition under the new economic model. Finally, it puts forward optimized ideas for revenue recognition and value measurement that adapt to the characteristics of the platform economy, along with practical paths for innovating audit methods and preventing and controlling audit risks. The research is intended to provide theoretical reference and practical guidance for standardizing the accounting treatment of the platform economy and improving the quality and efficiency of auditing.

## **Keywords**

platform economy, revenue recognition, value measurement, audit challenges, new economic model

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## **1. Introduction**

Research into platform economy auditing within the new economic model is grounded in the integration of three theoretical frameworks: the traditional theory of accounting recognition and measurement, modern audit theory, and the development theory of the digital economy. This integration lays a multi-dimensional theoretical foundation for investigating revenue recognition, value measurement and audit challenges in the platform economy. The value measurement theory, which is based on such measurement attributes as historical cost and fair value, also provides a standardized measurement framework for the recognition of physical assets and traditional intangible assets, and serves as the basic theoretical support for the accounting treatment of economic activities.

Modern audit theory centers on risk-oriented auditing, with risk identification, assessment and response as its core. With the rise of the digital economy, the development theory of the digital economy—based on network effects, resource integration and digital transformation—has broken the operational boundaries of the traditional economy. Its core viewpoints, including the virtualization of transaction forms, diversification of subject relationships and intellectualization of resource allocation, have laid a theoretical foundation for understanding the business characteristics and operational logic of the platform economy, sharing economy and gig economy.

Against the backdrop of the deep integration of the digital economy and the real economy, the application of traditional accounting and audit theories in the platform economy is facing a process of reconstruction. On the one hand, the virtualization of transaction scenarios, fragmentation of transaction behaviors and ambiguity of revenue attribution in the platform economy make it difficult for traditional revenue recognition criteria to accurately judge the timing and amount of revenue recognition. Meanwhile, traditional value measurement attributes fail to fully reflect the value of the platform's virtual assets, data assets and network effects. On the other hand, the digitalization of audit evidence, complexity of audit objects and concealment of audit risks mean that risk-oriented audit theory needs to be innovated in terms of audit procedure design, evidence acquisition methods and risk assessment models when applied to platform economy auditing.

Scholars have carried out preliminary theoretical explorations on integrating traditional accounting and audit theories with the characteristics of the platform economy, and put forward theoretical insights on optimizing revenue recognition models and innovating value measurement methods for the platform economy. These theoretical explorations have laid a preliminary research foundation for this paper, and also pointed out a clear research direction: combining theoretical innovation with practical needs more closely, and systematically exploring the adaptation paths of accounting and audit theories in the field of the platform economy.

Grounded in the integration of the traditional theory of accounting recognition and measurement, modern audit theory and the development theory of the digital economy, research on platform economy auditing has gradually become a research hotspot in the accounting and audit field amid the deep integration of the digital economy and the real economy. As the core form of the new economic model, the platform economy—including the sharing economy and gig economy—has broken the operational logic of the traditional economic model, and its unique business characteristics have brought profound challenges to the traditional accounting and audit system.

This paper systematically sorts out and reviews existing research findings from three core dimensions: revenue recognition, value measurement and audit challenges in the platform economy. It summarizes the theoretical disputes and practical dilemmas in current research, and points out the research gaps and future development directions, thus providing a theoretical basis for improving the accounting and audit system of the new economic model.

## **2. Literature Review and Theoretical Basis**

### **2.1 Research Status of Revenue Recognition in the Platform Economy**

Revenue recognition judgment is the core of accounting treatment for the platform economy, and the most prominent theoretical and practical dispute in current research focuses on defining the platform's role in transactions—that is, whether the platform acts as a principal or an agent [1]. Both International Financial Reporting Standard 15 and China's Accounting Standard for Business Enterprises 14 [2] take the transfer of control as the core basis for judging revenue recognition. However, the virtualization of platform economy transactions and diversification of transaction subjects have made the identification of control highly ambiguous. Forde & Wood [3] pointed out in their research on the sharing economy that platforms only provide information matching services in shared travel and shared accommodation transactions, and should therefore be identified as agents, with revenue recognized based on commission fees. In contrast, Huang [4] argued that some platform enterprises participate in the entire process of transaction pricing, settlement and after-sales service, and exercise substantive control over the traded goods or services, so they should be identified as principals and recognize revenue based on the total transaction amount. Ge & Zhang [5] further found through an empirical study on Chinese platform enterprises that there are obvious differences in

revenue recognition methods among different types of platform enterprises. The lack of detailed judgment criteria for principal-agent relationships has led to a loss of comparability in the accounting information of enterprises in the same industry. In research on the gig economy, Kalleberg & Dunn [6] proposed that the fragmentation of gig economy transactions and flexibility of income forms have made the judgment of revenue recognition timing a new difficulty. The traditional point-in-time recognition method is difficult to adapt to the continuous and fragmented transaction characteristics of the gig economy. To address this problem, some scholars have proposed combining point-in-time and over-time recognition methods, and taking the completion of service segments as the basis for judging revenue recognition [7].

## **2.2 Research Status of Value Measurement in the Platform Economy**

The measurement of platform economy value is another core difficulty in current research, mainly reflected in the challenges of measuring the platform's specific assets and the overall value of platform enterprises. The traditional value measurement theory takes historical cost and fair value as its core measurement attributes, which is suitable for measuring physical assets and traditional intangible assets, but fails to reflect the value connotation of platform-specific assets such as data assets and network effects [8]. Ball [9] pointed out that data assets are the core intangible assets of platform enterprises, but due to their non-exclusivity and the difficulty of measuring their costs, current accounting standards have not yet formed a unified measurement and recognition standard. Ge [10] proposed in his research on digital asset accounting that fair value should be the primary measurement attribute for platform data assets, and the income approach should be used to measure the future economic benefits brought by data assets. In terms of measuring the overall value of platform enterprises, Zeff [11] argued that the traditional enterprise value measurement method based on financial indicators ignores the value of the platform's user resources and network effects, leading to a significant deviation between the measured value and the actual value. Zhang & Liu [12] further improved the enterprise value measurement model by introducing non-financial indicators such as user scale and user stickiness, and verified the rationality of the improved model through an empirical study on e-commerce platform enterprises. Chen et al. [13] applied the real option method to the value measurement of sharing economy platform enterprises, pointing out that this method can better reflect the potential value of platform enterprises in an uncertain market environment. However, most current research on platform value measurement is limited to a single type of platform enterprise, and there is a lack of a unified value measurement system applicable to different types of platform economies such as the sharing economy and the gig economy [12].

## **2.3 Research Status of Audit Challenges in the Platform Economy**

Research on the audit challenges of the platform economy is closely integrated with modern risk-oriented audit theory, and existing research mainly focuses on the difficulties of audit practice and the innovation of audit methods. Simnett et al. [14] pointed out in their research on digital economy auditing that the virtualization of platform economy transaction data has transformed audit evidence from tangible paper evidence to intangible electronic evidence, and the authenticity, integrity and traceability of electronic evidence have become the core challenges of auditing work. Zhou & Li [15] further found through a case study of platform enterprise auditing that off-balance sheet transactions and hidden related transactions of platform enterprises have increased the difficulty of audit risk identification, and traditional audit risk assessment models are unable to accurately identify the potential audit risks of platform enterprises. In response to these challenges, scholars at home and abroad have put forward various ideas for innovating audit methods. Wang & Zhang [16] proposed applying big data audit technology to the audit practice of sharing economy platform enterprises, and collecting and analyzing audit data through data mining and cloud computing technologies to improve the efficiency of audit evidence acquisition and risk identification. Wu & Qiu [17] pointed out that the internal control system of platform enterprises is quite different from that of traditional enterprises, and platform economy auditing should focus on auditing the platform's information system and internal control over financial reporting to ensure the reliability of the platform's transaction data. In research on gig economy auditing, Liu et al. [18] proposed expanding the audit scope to include the platform's cooperative individuals and third-party institutions, and constructing a multi-party joint audit mechanism to solve the problem of difficult audit evidence acquisition in the gig economy. In addition, some scholars have proposed building a digital audit platform based on blockchain technology, which can realize

real-time supervision and traceability of platform economy transactions and fundamentally solve the problem of difficult verification of transaction authenticity [19].

### **3. Core Dilemmas of Accounting and Auditing in the Platform Economy**

#### **3.1 Inadaptability of Traditional Accounting Systems to the Platform Economy**

A systematic review of existing research shows that the academic community has conducted in-depth research on revenue recognition, value measurement and audit challenges in the platform economy, and achieved rich research results, which provides a preliminary theoretical basis for the accounting and audit practice of the platform economy. However, there are still obvious research gaps in current research: first, research on platform economy revenue recognition is mostly limited to theoretical discussions on principal-agent relationships, and lacks detailed and operable judgment criteria combined with the different business types of the platform economy; second, research on platform value measurement is mostly scattered in the study of a single asset or a single type of platform enterprise, and there is a lack of a systematic and unified value measurement system adapted to the overall characteristics of the platform economy; third, research on audit method innovation mostly focuses on the application of digital technology, and lacks in-depth research on the integration of audit technology and the actual business of platform enterprises, meaning the practicality of the proposed audit methods needs to be further verified. In the future, research on platform economy auditing should be closely combined with the practical development of the new economic model, focus on the above research gaps, and conduct in-depth research on the refinement of accounting and audit standards, the construction of a unified value measurement system, and the deep integration of digital audit technology and platform business. This will continuously improve the accounting and audit system of the new economic model and promote the standardized and sustainable development of the platform economy.

This paper systematically reviews existing research on revenue recognition, value measurement and audit challenges in the platform economy, and finds that the core contradiction in the accounting and audit practice of the platform economy lies in the inadaptability of the traditional accounting and audit system to the new economic business forms. Driven by digital technology, the platform economy has broken the transaction logic of the traditional economy, and its characteristics of virtualization, diversification and fragmentation render principle-based accounting and audit standards hard to apply directly. This is the fundamental cause of the theoretical disputes and practical dilemmas in current research.

#### **3.2 Specific Difficulties in Revenue Recognition of the Platform Economy**

In terms of revenue recognition, the core dispute over principal-agent identification is essentially due to the lack of detailed judgment criteria for the transfer of control in current standards [1]. Existing standards only put forward core judgment principles, but fail to formulate differentiated identification rules for different platform economy forms such as the sharing economy and the gig economy. This leads to the arbitrary selection of revenue recognition methods by platform enterprises, resulting in the loss of comparability of accounting information among enterprises in the same industry [5]. The difficulty in judging the revenue recognition timing of the gig economy is further caused by the fragmentation of its transaction behaviors, which makes the traditional point-in-time recognition method unable to reflect the economic substance of transactions [6]. Although scholars have proposed combining point-in-time and over-time recognition methods [7], there is still a lack of operable judgment criteria for dividing service segments.

#### **3.3 Specific Difficulties in Value Measurement of the Platform Economy**

In terms of value measurement, the current research dilemma is mainly reflected in the absence of a unified measurement system for platform-specific assets and the overall value of enterprises. As the core value drivers of platform enterprises, data assets and network effects have not been clearly defined in current accounting standards, and their measurement attributes and methods are still in the exploratory stage [9]. Although scholars have tried to apply fair value and real option methods to the measurement of platform assets and enterprise value [13], most research is limited to a single type of platform enterprise, and there is a lack of a measurement system applicable to the platform economy as a whole. The traditional enterprise

value measurement method based on financial indicators ignores non-financial value drivers such as user resources, leading to a deviation between the measured value and the actual value [11].

### 3.4 Specific Audit Challenges Faced by the Platform Economy

In terms of audit challenges, the digitalization of audit evidence and the concealment of audit risks have made the traditional risk-oriented audit model face severe challenges in its application to the platform economy [14]. Although scholars have proposed innovative ideas such as big data auditing and blockchain-based digital auditing [16][19], current research is mostly limited to theoretical discussions on technology application. The lack of in-depth research on the integration of digital audit technology and the actual business of platform enterprises results in the poor practicality of the proposed methods. In addition, the internal control system of platform enterprises is quite different from that of traditional enterprises, and the lack of targeted internal control audit standards further increases the difficulty of audit practice [17].

## 4. Conclusion

It should be noted that this review study also has certain limitations. The existing research reviewed is mostly focused on mature platform economy forms such as shared travel and e-commerce, while research on the accounting and audit issues of emerging platform forms such as live-streaming e-commerce and community group buying is relatively scarce. In the future, the research scope can be further expanded to form a more comprehensive research framework for the accounting and auditing of the platform economy.

As the core form of the new economic model, the platform economy has become an important driving force for economic development, and its accounting and audit issues have attracted extensive attention from the academic community. This paper sorts out and reviews domestic and foreign research on revenue recognition, value measurement and audit challenges in the platform economy, and draws the following core conclusions: the academic community has conducted in-depth research on the accounting and audit issues of the platform economy, and put forward a variety of theoretical viewpoints and practical solutions for principal-agent identification in revenue recognition, the measurement of platform-specific assets and the innovation of audit methods. This has laid a solid theoretical foundation for the standardization of accounting and audit practice in the platform economy.

However, current research still has obvious research gaps, and the core problems in the accounting and audit practice of the platform economy have not been fundamentally solved: the traditional accounting and audit system cannot fully adapt to the development characteristics of the platform economy; the lack of detailed accounting standards leads to confusion in accounting treatment; the absence of a unified value measurement system results in inaccurate reflection of platform value; and the disconnection between digital audit technology and practical business leads to low efficiency in audit risk identification and evidence acquisition.

In response to the above problems, future research on the accounting and auditing of the platform economy should focus on the integration of theory and practice, standards and business forms, and technology and industry. On the one hand, it is necessary to refine accounting and audit standards in combination with the characteristics of different platform economy forms, formulate differentiated judgment rules for revenue recognition, and establish a unified value measurement system that includes platform-specific assets and non-financial indicators. On the other hand, it is necessary to strengthen in-depth research on the integration of digital audit technology and platform business, improve the practicality of audit methods, and construct a multi-party joint audit mechanism adapted to the platform economy. At the same time, regulatory authorities should accelerate the improvement of supporting systems to form a joint force of standard formulation, theoretical research and practical application, so as to promote the healthy and sustainable development of the platform economy and even the entire new economic model.

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## **Conflicts of Interest**

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