This project will require you to research accounting literature. Doing so requires access to the large volume of “rules” which are now all contained in an online database, the FASB Accounting Standards Codification (ASC).

Link to ASC Materials… http://econ.ucsb.edu/~anderson/Password/FASBCODIFICATION.htm

FACTS:
You are the controller for a company which just completed a business combination by acquiring a competitor. The CFO has the following inquiries:

- How do we measure goodwill upon acquisition?
- Over what period should goodwill be amortized, if any?
- Is there any requirement that goodwill be tested for impairment, if so what is the requirement?
- If we were to have developed a similar business ourselves, can we generate our own goodwill?

The CFO does not want to hear about what a UCSB instructor said in lecture or what a textbook chapter documents. The CFO wants you to support positions using authoritative GAAP.

COMPLETE ON ONE PAGE PLEASE- This constraint will help you be concise in your response.

NOTE: Much like in the real-world, you are responsible for taking the initiative. The instructor is available as a boss would be for you to seek guidance from. BUT no guidance will be granted unless a clear effort has been made first by the student. The goal is NOT the right answer, but you learning how to research, support your positions with GAAP, and clearly document this.

HOW TO REFERENCE THE LITERATURE, an example..
Say that you need to know if a loss contingency should be recorded as a liability and you find in the ASC section 05-5 the answer (which is to record a liability if it is probable and estimable). You could accomplish this as follows:

[FASB Accounting Standards Codification (ASC) 05-5 indicates that a liability should be reported when “a probability threshold for recognition of a loss contingency and that the amount of the loss be reasonably estimable” ]

Also note, once you have put that (ASC) in your document the first time, you no longer need to type out all that FASB Accoun…. stuff again, you have defined it as ASC and by typing ASC in your document anywhere after you have already defined it, you are golden. If you look at the intro. to this research project, you will see that I have done that in the link to the ASC, in fact I just did it again…