FACTS:
You are the controller for a company developing a retail shopping center which will be sold once constructed and occupied with tenants. The CFO has approached you with the following inquiries:

- Should interest cost be capitalized during the period of construction? If so, is it optional or mandatory?
- Can the pre-acquisition costs of the land be capitalized? (such as paying consultants to evaluate this property, marketing studies performed for this property, due diligence performed on this property prior to its acquisition)
- Can costs of personnel assigned solely to this project and whose time can be clearly linked as being devoted 100% to the development of the project be capitalized to the project or expensed as incurred?
- What should be done with income from incidental operations such as sale of excavated dirt during grading, etc.?

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…