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Physicians for You, LLC: Estimating Asset-Related Expenses



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DEFINITION

Identifiable non-monetary asset without physical substance.



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IDENTIFICATION

yes, there is an element of asset.

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CLASSIFICATION

Intangible asset is classified under MFRS 138.

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RECOGNITION

- *It is probable that the Future Economic Benefits that are attributable to the asset will flow to the entity.*
- *The cost of the asset can be measured reliably.*
- *Identifiable. (*It must be separable from the asset as a whole)*
- *Control over a resource.*



INITIAL MEASUREMENT

Will be initially measured at *COST*
The sum of the expenditure incurred from the date when it meets the recognition criteria, to the date of its completion such as :

- Costs of materials and services used or consumed in generating the IA
- Costs of employee benefits arising from the generation of the IA
- Fees to register legal right
- Amortization
- Borrowing costs to the extent that they meet the capitalization criteria

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From -VE to +VE



problem = challenge

i don't know = i will find out

i will try = i will do it



How to calculate initial cost???

cost

-trade discount

-rebates

+Any directly attributable cost of preparing the asset for intended use



initial cost



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SUBSEQUENT MEASUREMENT

COST MODEL

REVALUATION MODEL

CA=cost-acc amortisation- acc impairment loss

- FV ignores

- Revalue the FV

- FV vs CA
surplus or deficit

Dr Cost
Cr Intangible Asset

Dr Deficit on revaluation
Cr Intangible Asset
Dr Intangible Asset
Cr Surplus on revaluation

DERECOGNITION

- *No future economic benefit*
- *Disposal*

CA VS NET DISPOSAL VALUE



$CA > NDV = \text{LOSS (EXPENSES)}$



$CA < NDV = \text{GAIN (REVENUE)}$

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