15.515 RECITATION SESSION 4:

THE MATCHING PRINCIPLE & LONG LIVED ASSETS

Agenda

- **1.** Overview of Accounting for Long Lived Assets
- **2.** Problems
- **3.** Questions
- **4.** Feedback Form

OVERVIEW OF ACCOUNTING FOR LONG LIVED ASSETS

THE MATCHING PRINCIPLE IN ACTION

- (1) What dollar amount to capitalize?
- (2) Over what time period should the asset be expensed, i.e. depreciated?
- (3) At what rate should the asset be expensed?

PP&E EQUATIONS

Hint: Copy these on your cheat sheet! See also the *table method* in E9-16 below.

- (1) $PPE_{EB} = PPE_{BB} + Acquisitions Disposals$
- (2) $AccDep_{EB} = AccDep_{BB} + Depreciation AccDep_{Disposal}$
- (3) Proceeds from Sale = BV^1 + gain/loss

¹ BV = Book Value

RECITATION FEEDBACK FORM

Please rate the following statements as shown. Your feedback helps us to help you better. Please return the form to the TA (either hand in at the end of recitation, place in the TA's mail folder, or hand in with homework assignment).

TA's Name: _____

1.	The material covered in the recitation is useful for problem se general understanding etc. Strongly Disagree Strongly Agr											
		1	2	3	4	5	6	7	8	9	10	
2.	Amount of time spent on "lecturing" in the recitation Want More Just Right Want Less											
		1	2	3	4	5	6	7	8	9	10	
3.	Amo	Amount of time spent on problems in recitation Want MoreWant Less12345678910										
4.	4. I think the pace of the recitation session is											
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I would like to see less ...

I liked Recitation # _____ the best because...

I like Recitation # _____ (excluding Recitation #1) the least because...