**Weekly Schedule**

1) Read Lecture and Chapter

2) DB **Due:**

3) Assign #6 **Due:**

4) Exam #2 **Due:**

The test will be taken through in two parts**,** general information, and the exam will be posted in the current week’s folder on Friday at 6:00 am. Do not wait until the last minute to take the exam; if you have problems I will be unable to help you. **You must start the exam no later than 8:30 on Sunday night.**

**Lecture**

**Read pages 161- 164; 168-170 (Skip LO5 & LO6)**

**Disposing of a Fixed Asset**: There are three ways to dispose of a plant asset: throw it away, sell it, or exchange if for something. In this class we will discuss the first two – exchanges are a topic for a more advanced course.

The key to disposal is to remember you must remove the cost of the fixed asset and the accumulated depreciation on that specific fixed asset. Students try to remove the book value but this number is made up of two separate accounts which require two line items in the journal entries. After removing the two accounts the gain/loss needs to be calculated. The gain or loss is the relationship between the book value and amount of cash received.

See the textbook for some great examples.

**Intangible Assets:** Intangible Assets are everywhere; most people can recognize McDonalds from miles away! Intangible assets lack physical substance but are often very valuable. Patents, trademarks, trade names, copyrights, and franchises are the main categories. Unlike fixed assets there is not a contra account to allocate the cost over the useful life. Each entry to allocate the cost is debited to amortization expense and credited to the intangible asset. This is done so the intangible asset will have a zero balance at the end of it’s useful life. There is nothing left to dispose of and the asset ceases to exist.

Amortization is the process of cost allocation and uses straight line.

**Homework and Discussion Forum**

1) Case Problem: Lions and Tigers

**2) Discussion Board:**  **DB 4**

You must have a MINIMUM of three posts. I expect a mix of original and response post.

*You only have ONE graded discussion this week so it is worth the total 10 points.*

**Topic:** Fixed Assets, Property Plant and Equipment

3) **Assign #6** – CengageNow

*You only have ONE graded homework assignment this week so it is worth the total 20 points.*

**Exam 2 Description:**

**Exam 8 Description:**

This exam will continue questions from Chapter 8.

**Exam Facts:**

*The exam is a two part exam.*

*Due*

*Don’t wait until the last minute to take the exam.*

**Part I: CengageNow**

Multiple Choice

75 minutes