**Weekly Schedule**

1) Read Lecture and Chapter 8

2) Case Problem: Lions and Tigers

3) DB **Due:**

4) Assign #4 **Due:**

5) DB **Due:**

6) Assign #5 **Due:**

**Lecture**

This chapter deals with a topic you may have heard called many different names: PP&E, Property, Plant, and Equipment, Furniture and Fixtures, Leasehold Improvements, or Fixed Assets. These assets are long term productive assets. We have four economic events surrounding fixed assets to learn the next two weeks: (1) Recording the purchase or acquisition; (2) Expensing the use; 3) Adjusting the initial estimates; 4) Disposals. In addition, the types of fixed assets will be defined at the end of the lecture

The cost of a fixed asset is everything that is spent to get it ready for its intended use. If you buy a building the cost would be the purchase price, broker’s fees, taxes, attorney’s fees, etc. For equipment install cost, shipping charges, and required testing would all be a part of the overall cost. The entry to record the cost of the Fixed Assets would be the same as you learned in ACCT&201.

The term Depreciation Expense was also introduced in ACCT&201. This was one of several adjusting entries you learned. In this chapter you will learn three methods for depreciating an asset: Straight-Line, Double-Declining, and Units of Activity. Please see the formula’s in the textbook. I will be posting a couple of examples later in the week.

Depreciation Expense is an estimate and sometimes estimates change: useful life could be greater or less than planned; salvage value could be great or less. In cases like these this is not an accounting error just a change of estimate. Book value will be calculated and depreciation expense will be re-calculated on the new estimates.

Land: Land is NOT a depreciable asset because it does not get used up. We call this an indefinite life.

Land Improvements: Structural additions made to land: Driveways, parking lots, fences, landscaping, and underground sprinklers. These items will be used up over time.

Buildings: If a building is purchased the cost of getting the building move in ready will be included in the cost of the building. If a building is built the interest during construction will be included in the cost of the building.

Equipment: This category can cover a lot of different items but all the cost before use needs to be capitalized.

**Homework and Discussion Forums**

1) Case Problem: Lions and Tigers

2) Discussion Board: **DB** **3 Wed**

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

*Topic:* Reading material covered in Chapter 10. Your post must show you read the chapter and/or the lecture material.

3) **Assign #4** **–** CengageNow

4) Discussion Board: **DB 3 Sat**

You must have a MINIMUM of two posts: at least one original and one response.

Topic: Homework. You can discuss any aspect of the homework assignments.