

Prob. 10–6A

1. a. Loss on impairment of goodwill, \$20,000,000
- b. $\$675,000/10 \text{ years} = \$67,500$; $1/2 \text{ of } \$67,500 = \$33,750$
- c. $\$1,665,000/9,000,000 \text{ board feet} = \$0.185 \text{ per board foot}$; $2,400,000 \text{ board feet} \times \$0.185 \text{ per board foot} = \$444,000$

2. a.	Loss on Impairment of Goodwill	20,000,000	
	Goodwill		20,000,000
b.	Amortization Expense—Patents	33,750	
	Patents.....		33,750
	Patent amortization.		
c.	Depletion Expense	444,000	
	Accumulated Depletion		444,000
	Depletion of timber rights.		