

Borland case study

Business



Intangible assets are operational assets that lack physical substance.

However, the future economic benefits that are derived from Intangible assets are usually less certain than tangible operational assets. Due to this uncertainty, the valuation of these assets rely upon multiple estimations, therefore the reliability of the information may not be as accurate.

Additionally, the relevance of the data in the decision making process comes into question since the future benefits are unknown.

Copyrights, franchises, goodwill, patents, and trademarks are just a few examples of intangible assets. Under Generally Accepted Accounting Principles (GAP), Intangible assets including patents, trademarks, copyrights, Trances agreements, customer lists, license agreements, order backlogs, employment contracts, and noncompetitive agreements should appear on a company's balance sheet. GAP requires intangible asset recognition (apart from goodwill) on the balance sheet if the said asset arises from contractual or other legal rights or is capable of being separated from the acquired entity.

B) The value of goodwill in a company's balance sheet captures the unique value of a company as a whole over and above its identifiable tangible and intangible assets. Goodwill can only be recognized as an asset on the balance sheet when a company engages in the acquisition of a whole or portion of another company. The value of goodwill is a residual value that is calculated by subtracting the fair value of the acquired company's net assets from the fair value of the consideration exchanged (or purchase price).

It was feasible because they were not selling any third party software and as soon as software was considered for technological feasible they put it up for sale. Analysis F) Borderland accounts for these expenditures by expensing the production costs of the advertising the first time the advertising takes place. The costs from funding certain activities of the reseller channel are treated as advertising expenses. 007 2006 2005 Total advertising expense including funded advertising \$2. 3 million \$2. 8 million \$4.

Million Total advertising expense / Total revenues Total advertising expense / Selling, general, and administrative expense it) This table shows that advertising spending has decreased each year. When taken in proportion to total revenues and general expenses, the percentage that composes advertising expense decreases each year. Since advertising costs are expensed ten TLS time ten perseverant takes place, tens may not represent an actual decrease in advertising, just a decrease in new advertising campaigns. l) Looking at the assets of the company may help to show fluctuations in the current value at least in terms of book value. Even more so, the company's stock price will help to see where investors see the current value of the company and its brands. G) l) For the purchase of Segue Software, Inc, the purchase price was allocated to the acquired assets and liabilities based on their estimated fair values on the date of acquisition with the remaining classified as goodwill.

The developed technology, customer relationships, agreements, and trademarks are all amortized over their exceptive periods. These amortization intangible assets were calculated using the income approach by estimated the expected cash flows from once the projects become viable
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and discounting them to the present value. In process research and development is research and development acquired from Segue Software, Inc that had not reached technological feasibility and had no alternative use. This amount was charged to operating expense upon completion of acquisition.