

NORTHROP GRUMMAN

Northrop Grumman Corporation

2980 Fairview Park Drive
Falls Church, Virginia 22042-4511

July 6, 2015

Mr. Russell G. Golden
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Subject: File Reference No. 2015-260

Dear Mr. Golden:

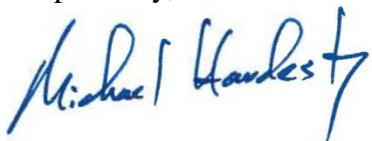
We appreciate the opportunity to comment on the exposure draft *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments* and commend the Financial Accounting Standards Board (the “Board”) on your continued simplification efforts. Northrop Grumman is a leading global security company with annual sales of \$24 billion and approximately 65,000 employees.

We support the Board’s proposal to account for measurement period adjustments in the period such adjustments are determined, which eliminates the requirement for retroactive adjustment to prior period financial statements. We believe the proposed changes will reduce operational cost and complexity, while maintaining the quality of information provided to financial statement users.

We agree the proposed guidance should be applied prospectively but recommend the Board clarify that application would only be permitted for business combinations occurring after the effective date rather than for business combinations completed prior to the effective date. We believe that approach would ensure consistent accounting for all such adjustments related to a single business combination.

Please contact me if you have any questions or if you would like to discuss these comments.

Respectfully,



Michael Hardesty
Corporate Vice President,
Controller and Chief Accounting Officer