

Proposed Accounting Standards Update, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments

Question Text	Response
* Please select the type of entity or individual responding to this feedback form.	Preparer
Other, please specify (Specified)	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)
Organization *	Ford Motor Company
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<p>Should adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period be recognized in the reporting period in which the adjustment amount is determined? Why or why not?</p>	<p>We support the recognition of adjustments to provisional amounts and the corresponding adjustment to goodwill in the reporting period in which the adjustment amount is determined. The proposed method would provide for simplification without any substantive reduction in the usefulness of information provided to investors. It will also help the preparers avoid the cost and complexity of retrospectively adjusting provisional amounts, and making the accompanying revisions to comparative information for prior periods. In addition, we find the current disclosure requirements in ASC 805-10-50-5 regarding the financial effects of adjustments recognized in the current reporting period that relate to business combinations that occurred in the current or previous periods to provide adequate disclosure of measurement period adjustments recognized during the current reporting period.</p>
<p>If adjustments to provisional amounts as of the acquisition date would have affected earnings in periods subsequent to the initial accounting for the business combination, should</p>	<p>Yes. We believe that recording cumulative earnings adjustments in the period in which the adjustments are identified is much simpler for preparers. Making adjustments when identified, rather than making adjustments retrospectively, will also provide easier access of information to users of the financial statements.</p>

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<p>the effect on earnings, in periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects be recognized in the income statement in the reporting period in which the adjustment to the provisional amount is determined? Why or why not?</p>	
<p>Should the proposed guidance be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period? Why or why not?</p>	<p>We agree with the proposed transition and effective date guidance. We suggest, however, that the proposed transition include adjustments that need to be made after the effective date, but for which the provisional amount was recorded prior to the effective date of the standard.</p>
<p>How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?</p>	<p>We do not believe significant time would be required to adopt the amendments in the proposed update and support an early adoption election.</p>

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<p>Please provide any additional comments on the proposed Update:</p>	
<p>Please provide any comments on the electronic feedback process:</p>	
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	<p>Not Answered</p>