

Question 5 (a)(ii)

	Capitalised as development cost as at 31 Dec 2009	Expense for 2009
	\$	\$
Amortisation of patents		
- 1 Jan – 30 Apr ($\$270\,000/24 \times 4$)		45 000
- 1 May – 31 Dec ($\$270\,000/24 \times 8$)	90 000	
Depreciation on computer equipment		
- 1 Jan – 30 April ($\$120\,000/12 \times 4$)		40 000
- 1 May – 31 Dec ($\$120\,000/12 \times 8$)	80 000	
Salaries of employees for developing the system:		
- researching department (1 Jan 2009 – 31 Mar 2009)		250 000
- development department (1 Mar 2009 – 30 Apr 2009) ($\$1\,200\,000/10 \times 2$)		240 000
- development department (1 May 2009–31 Dec 2009) ($\$1\,200\,000/10 \times 8$)	960 000	
Training cost		300 000
	1 130 000	875 000