

## I-11.05

Tweedy Pharmaceuticals engaged in the following activities during 20X6. Review each and prepare any entry that is needed to record the item, along with adjusting entries at December 31 to record amortization or impairment (if necessary).

- Jan. 1 Spent \$80,000 in legal fees to register a patent for an internally developed concept. The patent should benefit the company for at least its full legal life, and perhaps even longer.
- July 1 Expended \$125,000 to research and develop a process that is protected by confidentially agreements with employees (i.e., "trade secret") who worked on the project.
- Oct. 1 Purchased the "MemoryMinder" brand name from a competitor for \$500,000. This trademarked brand name will be used indefinitely to promote a memory aiding drug.
- Oct. 1 Expended \$90,000 to purchase a copyright with a 5-year remaining life. This copyright was purchased because it competed with a Tweedy product having a 3-year remaining life.
- Dec. 31 Concluded that \$1,000,000 of goodwill from a business combination arising in 20X5 was no longer of any value to Tweedy.