The recognition of an expense usually occurs based on one of the following three intrinsic principles:

(a) Associating cause and effect

(b) Systematic and rational allocation

(c) Immediate recognition

Evaluate the following items and determine the intrinsic principle that establishes the basis by which it is to be recorded as an expense.

(1) The cost of a building used in the business.
(2) The cost of merchandise sold to customers.
(3) Rental costs under a three-year lease agreement.
(4) The cost of a rebate offered on goods sold to customers.
(5) An uninsured storm loss.
(6) Commissions paid to a salesperson.
(7) Cost of land seized as the result of a change in government in a foreign venue.
(8) The cost of paper used by a publishing company.
(9) The cost of an unfavorable verdict in a civil lawsuit.