

### WASTING ASSETS

Natural resources such as oil, gas, minerals, and timber.

### INITIAL RECOGNITION

Acquisition Cost	xxx
Capitalizable Exploration Costs	xxx
Intangible Development Costs	xxx
Restoration Cost @ PV	xxx
<b>Initial Cost of Wasting Asset</b>	<b>XXX</b>

### CHANGE IN ACCOUNTING ESTIMATES

Examples: additional development cost, change in estimated output, and change in residual value.

Applied prospectively; New depletion rate will be used (use FIFO).

### DEPLETION

The systematic removal, extraction, or exhaustion of a natural resource. Depletion charge for each period shall form part of inventory.

Initial Cost of Wasting Asset	xxx
Recoverable Amount	(xx)
<b>Depletable Amount</b>	<b>xxx</b>
Divided by: Estimated Output	xxx
<b>Depletion Rate</b>	<b>xxx</b>
Times: Units Extracted	xxx
<b>DEPLETION</b>	<b>XXX</b>

### DEPLETION EXPENSE

Depletion that is sold becomes an expense in the period.

Depletion Rate	xxx
Times: Units Sold	xxx
<b>DEPLETION EXPENSE</b>	<b>xxx</b>

### DEPRECIATION

By **chiinya**  
[cheatography.com/chiinya/](https://cheatography.com/chiinya/)

Not published yet.  
 Last updated 18th September, 2022.  
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