

**Solution:**

The total capitalized cost may be calculated as follows:

<b>CALCULATION OF CAPITAL COST OF EQUIPMENTS (in \$)</b>	
<b>Name: IRS Office</b>	
<b>Particulars</b>	<b>Amount</b>
Invoice Price	450,000
Less: Discount on early payment (2%)	(9,000)
Add: Freight expenses	7,400
<b>Total cost of purchasing computer</b>	<b>448,400</b>
Installation charges	10,000
Repair charges (prior to use)	15,000
<b>Total cost of acquisition of the equipment</b>	<b>473,400</b>

Thus, the total capitalized cost to be added to the equipment section would be \$473,400.