**Solution:**

(1)

Under U.S. GAAP, the impairment of the long-lived assets is calculated as follows:

(a) Recoverability test: The value comes out to be \$9 million given already. Book value is \$11 million. Thus, asset is not recoverable and hence impaired.
(b) The loss will be

$$Impairment\ Loss = Book\ Value - Fair\ Value = \$3.5\ million$$

(2)

Under IFRS, there is a single step process.

Value recovered = \$7.4 million

Fair value = \$8.9 million (reduce cost to sell)

$$Impairment\ Loss = Book\ Value - Fair\ Value = \$2.1\ million$$