Solution:

(1)

The amortization is given by:

$$Amortization = \frac{3{,}000{,}000}{2} = \$1{,}500{,}000$$

(2)

For C, the R&D investment will be considered as a revenue. Thus, $6 million will be recorded as an R&D expense.

For D, the acquisition is considered as a capital investment. Thus, $6 million will be considered as an R&D capital.

Balance sheet effect:

For C, the effect will be as follows:

Assets	= Liabilities	+ Stockholders' Equity
-$6,000,000 (cash decrease)		-$6,000,000 (R&D expense)

For D, the effect will be as follows:

Assets	= Liabilities	+ Stockholders' Equity
+$6,000,000 (increase in R&D asset) -$6,000,000 (decrease in cash)		

(3)

$$Amortization = \$100{,}000$$

(4)

(a)

JOURNAL ENTRY FOR ACQUISITION OF COMPANY (in millions of $) Name: Samela Corporation		
Particulars	Debit	Credit
Goodwill	5	
Total assets of Haddock	22	
To Total Liabilities of Haddock		15
To Cash		12
(Being acquisition of Haddock by Samela)		

(b)

Yes, the entry will be done as follows:

JOURNAL ENTRY FOR IMPAIRMENT OF GOODWILL (in millions of $) Name: Samela Corporation		
Particulars	Debit	Credit
Loss of Goodwill To Goodwill (Being impairment of goodwill)	2	 2