

**Solution:**

The following accounts will be there to record the expenditure:

- (1) **Leases Improvement** -> **+180,000** (because we improved the lease's property)
- (2) Cash -> -\$180,000

According to U.S. GAAP, the amortization should be done over the life at which this is useful for the company.

Thus, we have *Ammortization* = \$45,000 (for 4 years are left for lease).