Solution:

(1)

$$Amortization = \frac{900,000}{6} = \$150,000$$

(2)

For (a), the R&D investment will be considered as a revenue. Thus, $3,167 million will be recorded as an R&D expense.

For (b), the acquisition is considered as a capital investment. Thus, $3,167 million will be considered as an R&D capital.

Balance sheet effect:

For C, the effect will be as follows:

Assets	= Liabilities	+ Stockholders' Equity
-$3,167 million (cash decrease)		-$3,167 million (R&D expense)

For D, the effect will be as follows:

Assets	= Liabilities	+ Stockholders' Equity
+$3,167 million (increase in R&D asset) -$3,167 million (decrease in cash)		

In either case, the income statement would show a decrease of revenue, because money is spent either way.

(3)

Quite different. At 4 years, the amortization would proceed significantly slower compared to at 3 years. This could increase the asset valuation of the Analogic Corporation.