

Recognition of Intangible Assets

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Abstract: The article conducts research on the issue of asset recognition and evaluation from the income of asset recognition and evaluation, asset recognition and diagnosis. The main problem is the large, historical cost measurement model of asset value measurement. For these specific problems, corresponding solutions and ideas are proposed.

1. Introduction

First, introduce foreign research. By reading foreign research literature on intangible assets, we can see that there are many foreign research literature on intangible assets, covering a wide range of researches in various fields. Organizations around the world have different perceptions of intangible assets depending on the environment. Studies have shown that geographic regions, industrial sectors, and organizational scale are all important factors affecting intangible assets (Axtle-Ortiz, 2013). In the field of stocks, there are also studies related to intangible assets. Studies have shown that companies with more intangible assets are more likely to repurchase stocks and make more aggressive repurchase notices as expected (Barth and Kasznik, 1999). □ For a long time, accounting policy makers and researchers have been concerned about whether the intangible asset information reported in accordance with current financial reporting requirements conveys information related to the valuation of corporate equity that market participants want to see. The research of Chi. etal, (2000) provides empirical evidence for the relationship between the book value of intangible assets, related amortization expenses and the market value of corporate equity. These relationships are tested using paired portfolio analysis and multiple regression analysis, which have been used in previous studies. The results show that the financial market has a positive value for the intangible assets in the report.

Regarding the formation process and evaluation sources of intangible assets, many foreign scholars have conducted research. For example, marketing decisions create intangible assets (Whitewell et al., 2007). In the absence of a formal reporting structure for the value of intangible assets, stock analysts, as an independent source of valuation, conduct seemingly objective assessments of the shareholder value of the company's intangible assets. On the other hand, the role and influence of intangible assets have also attracted more and more attention from scholars. The source of value creation is increasingly dependent on intangible assets, and the role of international accounting standards is considered to be the core of maintaining the competitiveness of enterprises and innovative systems (Kramer et al., 2011). At the same time, intangible assets also have a certain degree of influence on the listing and public offering of stocks of start-up companies (Fukugawa, 2012). At this stage, with the rapid development of the economy, the role of intangible assets has received more and more attention from enterprise managers, decision makers, experts and scholars. Intangible assets have become a factor that affects the value of an enterprise and its sustainability in the future. Key factor. Because of this, how to objectively and fairly evaluate the value of an enterprise's intangible assets has become an important topic of research at this stage.

For financial personnel and business managers, how to fairly and reasonably evaluate the value of the company's intangible assets has become increasingly important. However, with the trend of economic globalization, the valuation of intangible assets of enterprises is also facing new opportunities and challenges. For example, the tax planning of multinational corporations severely distorts the measurement of cross-border intellectual property flows (Neubig.and.Wunsch-Vincent,

.18), which in turn affects the measurement of intangible assets of multinational corporations. From this point of view, in the context of economic globalization and increasingly fierce international competition, the value evaluation of corporate intangible assets has become increasingly important.

Then, introduce the domestic research. At present, domestic experts and scholars have also formed many opinions and theories on the research of intangible assets. At the same time, in order to be in line with the international society, many accounting theories and intangible assets research in my country are based on the mainstream research results and theories of the international society, and keep pace with the times. At the same time, Chinese experts and scholars have a great Research also has its own innovation and adaptation to the actual situation of the country

2. Theoretical Basis of Intangible Assets

There are many definitions of intangible assets in the world, mainly in the United States. Financial Accounting Standards Board is the Financial Accounting Standards Board of the United States, abbreviated as FASB. The definition of intangible assets in the Financial Accounting Standards issued in 1999 is: intangible assets refer to non-current assets that have no physical form, including goodwill, but not financial assets. In 2001, the US Financial Accounting Standards Board revised the old standards of 1999. Separate goodwill from other intangible assets. Re-define intangible assets as: “assets without physical form, excluding financial assets”. The definition of goodwill is: “The cost of being acquired in physical-physical form exceeds the difference between the net value of the amount allocated to various assets and the amount of debts assumed”. Based on this, in fact, the intangible assets in the 1999 old standards are classified into two types of intangible assets, identifiable and unidentifiable, according to whether they are identifiable. Unidentifiable intangible assets refer to goodwill. According to the “Accounting Standards for Business Enterprises No. 6-Intangible Assets” issued by the Ministry of Finance in 2006, intangible assets are defined as: identifiable non-monetary assets without physical form owned or controlled by an enterprise. The requirements for the identifiability standard are: First, it can be separated or divided from the enterprise, and can be used alone or together with contracts, liabilities or assets for transfer, licensing, sale or exchange; the second is Rights derived from the nature of the contract, or other legal rights, regardless of whether these rights can be separated or transferred from the enterprise or other rights and obligations. On the basis of the above, according to the latest standards issued by the China Assets Appraisal Association in 2017: “Asset Appraisal Practice Standards-Intangible Assets”, the definition of intangible assets is: “It means that a specific entity owns or controls it, and does not have The physical form is a resource that can continue to play a role and bring economic benefits.” The promulgation of the new standards has extremely important historical significance for the development of my country's enterprise and asset appraisal industry.

It can be seen from the promulgation of the new standards that my country attaches great importance to intangible assets. With the development of the economy, my country's relevant industry standards and policies are also constantly developing and changing. From the 2001 “Accounting Standards for Business Enterprises-Intangible Assets” By the 2006 “Accounting Standards for Business Enterprises No. 6-Intangible Assets”, it has undergone a series of studies and amendments to the “Asset Appraisal Practice Standards Intangible Assets” issued by the China Assets Appraisal Association in 2017. Both domestically and internationally, the concepts and definitions of intangible assets are constantly changing, but at this stage, most institutions in my country follow the latest domestic standards.

The concept of intangible assets can be divided into broad and narrow sense. The narrow concept of intangible assets mainly includes power assets such as non-patent technology, patent rights and trademark rights, which is consistent with the corporate accounting standards. The broad concept of intangible assets not only includes intangible assets in a narrow sense, but also includes elements such as brand, corporate culture, and human resources. There are multiple classification methods for intangible assets in a broad sense, such as the Financial Accounting Standards Board (FASB). The standard “M&A and Intangible Assets” issued in 2001 divides intangible assets into six broad

categories: customer-based assets and markets. Basic assets, contract basic assets, technology basic assets, legal basic assets, employee basic assets, organizational basic assets and financial assets. Many experts and scholars divide intangible assets in a broad sense into knowledge intangible assets, human resources intangible assets and market intangible assets. The classification of intangible assets used in this article is one of the broad classification methods of intangible assets.

3. Confirmation of Intangible Assets

The Chinese Intangible Assets Standards stipulate that an intangible asset can only be recognized by an enterprise when the following two conditions are met: first, the economic benefits related to the intangible asset are likely to flow into the enterprise; second, the cost of the intangible asset can be reliably Metering. In this way, the intangible assets recognized by current accounting are generally intangible assets obtained from outside, including patent rights and know-how, trademark rights, copyright, and goodwill. For intangible assets acquired by self-research and development and obtained in accordance with the law, the new standard stipulates: the expenditures for internal research and development projects of an enterprise shall be distinguished between expenditures in the research phase and expenditures in the development phase profit and loss. Expenditures in the development stage of an enterprise's internal research and development projects can be recognized as intangible assets only if the following conditions are met at the same time: (1) Complete

It is technically feasible for the intangible asset to be used or sold: (2) It has the intention to complete the intangible asset and use or sell it; (3) The way the intangible asset generates economic benefits, including the ability to prove the use of the intangible asset The product produced has a market or the intangible asset itself has a market. If the intangible asset will be used internally, its usefulness should be proved: (4) Sufficient technical, financial resources and other resources support to complete the development of the intangible asset, and Ability to use or sell the intangible asset: (5) The expenditure attributable to the development stage of the intangible asset can be reliably measured. Self-generated goodwill is not recognized as intangible assets.

4. Measurement of Intangible Assets

According to my country's intangible asset standards, intangible assets are measured at actual (historical) costs. However, for intangible assets obtained from different sources, specific requirements are put forward during the measurement. For example, the actual payment of intangible assets should be used as Entry value; for intangible assets obtained through debt restructuring, the book value of the reorganized creditor's rights should be used as the entry value of the intangible assets; for intangible assets exchanged through non-monetary transactions and invested by investors, the book value or appraisal with a reliable basis should be used Value as entry value and so on. For intangible assets acquired through self-research and development and obtained in accordance with the law, the new standard stipulates that: the expenditures for internal research and development projects of an enterprise shall be distinguished between research phase expenditures and development phase expenditures profit and loss. Only when the internal R&D project expenditures of the enterprise meet certain conditions at the same time can they be recognized as intangible assets and be reliably measured. Regarding the valuation of goodwill, since self-generated goodwill is currently not recognized, it mainly refers to the valuation of purchased goodwill. Accounting for the valuation of goodwill of foreign purchases is not complicated, mainly to determine the fair value of the identifiable net assets acquired and the difference between it and the purchase price. This is the most commonly used method for the valuation of purchased goodwill, and it has almost become the only method allowed by the accounting standards of various countries to measure goodwill. Regarding the amortization of intangible assets, my country's intangible assets standards stipulate that the cost of intangible assets should be amortized evenly in installments within the expected useful life from the month of acquisition, that is, amortized on a straight-line basis. In addition, my country's intangible asset standards also stipulate that companies should regularly check the book

value of intangible assets, at least once at the end of each year, and stipulate that the recoverable amount of intangible assets should be estimated when conditions specified in the standards are discovered. And the part of the book value of the intangible asset that exceeds the recoverable amount is recognized as an impairment provision.

5. Recognition and Improvement of Intangible Assets

For a long time, theoretical research on intangible assets has been a major problem in theoretical research in the field of accounting. Anyone who has done research on the theory and practice of intangible assets will have a common feeling: as a kind of individual economic resource, how to scientifically confirm, value and manage intangible assets still attracts countless interested accounts. Theoretical scholars are helpless. There are many reasons for the formation of this status quo. One of the important reasons is that the value of the future benefits of intangible assets itself is highly uncertain, and its potential value is distributed in the range of zero to a large amount. In the theoretical study of intangible assets, there are many issues in intangible assets such as patent rights, copyrights, trademark rights, land use rights, and goodwill that need to be studied. Traditional accounting theory, on the one hand, provides certain theoretical support for the practice of intangible assets. On the other hand, the defects of traditional accounting theory are the source of all contradictions and conflicts in intangible asset accounting. The current status of intangible asset accounting research reminds us that while emphasizing its importance and urgency, we need to understand and eliminate the crux of the intangible asset problem. Many accounting scholars at home and abroad have conducted many targeted analyses on this. It is generally believed that the crux of intangible asset accounting has not been widely used so far is the difficulty of intangible asset valuation, and seek a breakthrough in the problem of intangible asset valuation. However, the key to intangible asset accounting lies in the insufficient supply of the basic theory on which intangible assets are built. This creates an illusion that all the problems of intangible asset accounting are isolated. As long as the pricing problem is solved, other problems will be solved. The practice of intangible asset accounting shows that this illusion caused us to ignore the essence of intangible asset accounting. We believe that there is an urgent need to seek a systematic study of intangible assets in order to provide a systematic and consistent answer to many problems in intangible asset accounting, and the strategic importance of discussing and solving intangible assets accounting in isolation is questionable. Of course, the author does not deny the positive significance of solving the problem of intangible asset valuation, but believes that the issue of intangible asset accounting is only one side of the hindrance of intangible asset accounting. The more important reason is the lack of theoretical support system for the implementation of intangible asset accounting. The problem to be solved in the confirmation of intangible assets is that the intangible asset items that meet the conditions can be recorded as the intangible assets of the enterprise.

6. Conclusion

From a long-term perspective, the results of analysis of the impact of intangible assets on corporate value have the same trend as the actual changes in corporate value. At the same time, the analysis results of the impact of intangible assets on the value of the enterprise are consistent with the actual situation of the enterprise at some important key nodes. Finally, we need to know that no matter what method is used to evaluate and analyze the value of an enterprise, it has it all? The rationality of the determination is that the methods and angles of studying the problem are different. Under certain conditions, each method and angle is reasonable and feasible. The analysis system of the influence of intangible assets on enterprise value in this article has very important theoretical significance for the research of intangible assets and the evaluation method of enterprise value in the future.

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