

Accounting for Leases

2nd Edition

Steven M. Bragg

Table of Contents

Accounting for Leases	1
Learning Objectives.....	1
Introduction	1
The Nature of a Lease.....	2
Lease Components (Lessee).....	4
Lease Components (Lessor)	6
Initial Direct Costs	7
Lease Consideration	7
The Lease Term.....	8
Initial Measurement of Lease Payments	9
Subsequent Measurement of Lease Payments.....	10
Types of Leases.....	10
Asset and Liability Recognition (Lessee).....	12
Initial Measurement	12
Short-Term Leases	13
Finance Leases	13
Operating Leases	15
Optional Lease Payments	16
Right-of-Use Asset Impairment	16
Leasehold Improvement Amortization	17
Subleases.....	17
Maintenance Deposits	17
Derecognition	17
Lease Recognition Topics (Lessor).....	18
Sales-Type Leases	18
Direct Financing Leases.....	21
Operating Leases	22
Variable Lease Payments.....	23
Lease Modifications.....	23
Lessee Impact	24
Lessor Impact.....	26
Elections	29
Discount Rate.....	29
Separation of Non-Lease Components.....	29
Definition of Fair Value.....	30
Sale and Leaseback Transactions.....	31
Lease Presentation	32
Lease Disclosures	34
Lessee Disclosures.....	34
Lessor Disclosures	36
Sale and Leaseback Transactions	37
Transition Accounting.....	37
Summary	38

Table of Contents

Review Questions	40
Review Answers.....	42
Glossary	45
Index.....	49