

Historical cost: Assets are recorded at the amount of cash or cash equivalents paid or the fair value of—1 the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes) 2– Realizable (settlement) value: Assets are carried at the amount of cash or cash equivalents that could currently be obtained by selling the asset in orderly disposal. Liabilities are carried at their settlement values. 3– Present value: Assets are carried at the present discounted value of the future net cash inflows that the item is expected to generate in the normal course of business. Liabilities are carried at the present discounted value of the future net cash outflows. 4–Current cost: Assets are carried at the amount of cash or cash equivalents that would have to be paid if the same or an .equivalent asset was acquired currently. Liabilities are carried with an undiscounted amount of cash