

**UNIVERSITI TEKNOLOGI MARA**

**THE APPROPRIATENESS OF  
CAPITALISATION, IMPAIRMENT AND  
WRITE-OFF ON THE INTANGIBLE ASSET  
EXPENDITURES IN THE OIL AND GAS  
ACCOUNTING – A STUDY ON A  
PROMINENT OIL AND GAS ORGANISATION**

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This applied research project is submitted in partial fulfilment of the  
requirement for the degree of  
**Master in Forensic Accounting and Financial Criminology**

**Faculty of Accountancy**

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## **CANDIDATE'S DECLARATION**

I hereby declare that this paper is my own work and effort and that it has not been submitted anywhere for any award. Where other sources of information have been used, they have been acknowledged.

In the event that my applied research is found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree to be subjected to the disciplinary rules and regulations of the Universiti Teknologi MARA.

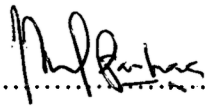
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## **ABSTRACT**

One of the possible ways to grasp a quick understanding on how oil and gas accounting works at the surface is to provide some rationalisations in mastering the treatments of capitalisation, impairment and write-off of the Intangible Assets. Adjustments towards Intangible Assets thus by far is one of the most critical aspects in recognising and realising how intricate oil and gas accounting can be. Having to manage the book of accounts in one of the prominent oil and gas organisation can indeed give a difficulty to anyone. That is of course, to have a set of objectives that the financial statements must be accurate in terms of true and fair view is a concern for every individuals and the related parties as a whole. Thus, this research will provide insights on how the accounting adjustments of Intangible Assets are being practiced in the studied oil and gas organisation and how their current procedures overcome the obstacles of having to identify and to treat billions of expenditures appropriately in the span of the Intangible Assets. The objectives of this research paper are to (i) ascertain the importance of choosing effective accounting method for capitalisation, impairment and write-off of Intangible Assets in oil and gas accounting, (ii) to evaluate the current accounting practices on Intangible Assets of the prominent oil and gas organisation and (iii) to identify any problems in the current accounting practices of the organisation and its approaches in alleviating the problems. This research paper is based on the primary data retrieved from the personal observation on the accounting treatments, interview sessions with experienced finance operation managers and questionnaires responded by participants from various working levels in the organisation. The study provides vital information to the field of oil and gas accountants in particular on how to manage the accounting treatments of Intangible Assets in rightful manner.

**Keywords:** Intangible Assets, Successful Effort, Full Cost, Exploration assets.

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Sincerely,

Nurul Farhana binti Mohd Ami

## **TABLE OF CONTENTS**

<b><u>CHAPTER</u></b>	<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
	<b>CANDIDATE'S DECLARATION</b>	<b>i</b>
	<b>ABSTRACT</b>	<b>ii</b>
	<b>ACKNOWLEDGEMENTS</b>	<b>iii</b>
	<b>TABLE OF CONTENTS</b>	<b>iv</b>
	<b>LIST OF TABLES</b>	<b>viii</b>
	<b>LIST OF FIGURES</b>	<b>ix</b>
	<b>LIST OF ABBREVIATIONS</b>	<b>x</b>
<b>1</b>	<b>INTRODUCTION</b>	<b>1</b>
	<b>1.1 Preamble</b>	<b>1</b>
	<b>1.2 Problem statement</b>	<b>3</b>
	<b>1.3 Research Questions</b>	<b>4</b>
	<b>1.4 Objectives of the Study</b>	<b>4</b>
	<b>1.5 Scope of the Study</b>	<b>4</b>
	<b>1.6 Contribution of the Study</b>	<b>5</b>
	<b>1.7 Motivation of the Study</b>	<b>5</b>
	<b>1.8 Organisation of the Chapters</b>	<b>5</b>
<b>2</b>	<b>BACKGROUND OF THE STUDY</b>	<b>7</b>
	<b>2.1 Introduction</b>	<b>7</b>
	<b>2.2 Why Do the Two Accounting Methods Matter for Capitalisation and Other Adjustments?</b>	<b>7</b>