

**Error of Converting Trade Mark at Closing Rate instead of Valuing at Historical Cost using the Rate at the Date of Transaction: A Case Study on Selected Sri Lankan Company**

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Accounting and reporting concerns often impact many decisions made in the evaluation of a deal, including decisions about how to communicate the transaction to a company's stakeholders. Therefore, accounting and reporting task should be done in effective & standard way by every company. For that every company and organization should prepare the financial statements according to generally accept accounting standards. The purpose of this case study report is to analyze an accounting issue of converting trade mark at closing rate instead of valuing at historical cost using the rate at the date of transaction which violates Sri Lanka Accounting Standards. In such situation, the trade mark has to be identified at historical cost at the date of transaction as it is an intangible, non-monetary asset according to LKAS 38: Intangible Assets and LKAS 21: The Effects of Changes in Foreign Exchange Rates and how it can be done is also explained in this case study report.

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