E10-13

Herzogg Company, organized in 2008, has the following transactions related to intangible assets:

1/2/2008 Purchased patent (7-year life) - $560,000

4/1/2008 Goodwill purchased- $360,000

7/1/2008 10-Year franchise; expiration date: 7/1/2018 - $440,000

9/1/2008 Research and Development costs - $185,000

Prepare the necessary entries to record these intangibles. All costs incurred were for cash. Make the adjusting entries as of December 31, 2008, recording any necessary amortization and reflecting all balances accurately as of that date.