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DETERMINANTS OF GOODWILL AMORTIZATION PERIOD

Steven C. Hall

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Abstract

This study investigates whether economic consequences have an effect on the length of the period over which goodwill is amortized. It finds that there is a significant relationship between the size of the firm and the length of the amortization period. It also finds, when the only firms included in the sample are those reporting debt covenant restrictions dependent in part on goodwill accounting, evidence that the length of the amortization period for goodwill is related to the firm's leverage.

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