31.205-52 Asset valuations resulting from business combinations.

(a) For *tangible capital assets*, when the purchase method of accounting for a business combination is used, whether or not the contract or subcontract is subject to CAS, the allowable *depreciation* and cost of money *shall* be based on the capitalized asset values measured and assigned in accordance with 48 CFR9904.404-50(d), if allocable, reasonable, and not otherwise unallowable.

(b) For *intangible capital assets*, when the purchase method of accounting for a business combination is used, allowable amortization and cost of money *shall* be limited to the total of the amounts that would have been allowed had the combination not taken place.

Parent topic: 31.205 Selected costs.