Appendix A
Phase C Issues

Milestone I: Measurement Bases—Definitions & Properties

M01:   What are the measurement basis candidates?

M02:   How are the measurement bases defined?

M03:   What are the basic properties of the measurement bases?

    a. How does each basis relate to prices and values, the building blocks of
       economic decisions?

    b. What is the basic time orientation of each measurement basis?

M04:   Are the measurement bases appropriate for both assets and liabilities?

M05:   Are there any measurement basis candidates that should be eliminated from
       consideration for evaluation in Milestone II?

Milestone II: Measurement Bases—Evaluation Using Qualitative Characteristics

M06:   Are the measurement bases relevant to the economic decisions of users of
       general purpose financial reports? Would their use provide confirmatory or
       predictive value and contribute to timeliness of information in financial reports?

M07:   Can the measurement bases be used to create faithful representations in
       financial reports? Would those representations be verifiable and neutral?
       Would they contribute to completeness of information in financial reports?

M08:   Would using the measurement bases contribute to comparability?

M09:   Would using the measurement bases contribute to understandability?

M10:   Are there concepts in addition to the qualitative characteristics that should be
       used to evaluate the measurement bases? (For example, capital maintenance
       and scientific measurement concepts.) If so, how do the bases fare against
       them?

Milestone III: Measurement Bases—Conclusions and Application

M11:   Given the individual evaluations in Milestone II, how do the measurement
         bases compare with one another? Can they be ranked according to their overall
         satisfaction of the qualitative characteristics?

M12:   Should one measurement basis be used for all financial statement purposes, or
         could different bases be used for different purposes (for example, initial vs.
         subsequent measurement, assets vs. liabilities, and different types of assets or
         liabilities)?

M13:   Should the same basis (bases) used for financial statements also be used for
         other aspects of financial reporting, or could different bases be used outside the
         financial statements?

M14   What are the practical problems of using the selected basis (bases)? Should the
         problems preclude their use in some or all situations? Are there ways to address
         those problems without diminishing the relevance, representational
         faithfulness, comparability, and understandability of financial reporting
         representations that use the basis (bases)?

M15:   What can standard setters, preparers, and auditors do to improve the quality of
         accounting measurements that use the selected basis (bases)?

Note: Issues M06 and M07 have been revised to reflect comments and suggestions
         made at the measurement roundtables in January and February, 2007. Prior to
         their revision, those issues read as follows:

M06:   Are the measurement bases relevant to economic resource allocation decisions?

M07:   Can the measurement bases be used to create faithful representations of assets
         and liabilities that can be verified?