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Letter of Comment No: 15  
File Reference: 1050-001  
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March 29, 2002

Mr. Timothy S. Lucas  
Director of Research and Technical Activities  
Financial Accounting Standards Board  
401 Merritt 7  
Norwalk, CT 06856-5116

**Re: Proposed Agenda Project: Issues Related to the Recognition of Revenues and Liabilities**

Dear Mr. Lucas:

Dell Computer Corporation (Company) appreciates the opportunity to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Agenda Project: Issues Related to the Recognition of Revenues and Liabilities. This letter and Attachment I summarize our views on the proposed project and include responses to the specific questions contained in the proposal.

The Company is in favor of the FASB proposed project; however, we believe that the scope should be limited to revenue recognition and revenue related liabilities (i.e., revenue deferrals and cost accruals). We strongly encourage the Board to provide leadership on this important topic and work with the SEC in order to provide a single, comprehensive standard on revenue recognition that contemplates the recent guidance issued in SEC Staff Accounting Bulletin 101. We also feel that the development of a new general standard on liability recognition should not be part of this proposal.

We request that the Board continuously evaluate the cost/benefit of any proposed standard on the recognition of revenues and related liabilities. The final standard must also be operational and have adequate implementation guidance to allow for cost-effective implementation

If you have any questions regarding our comments, please contact me at (512) 728-4283.

Sincerely,

Robert W. Davis  
Vice President, Corporate Planning and Reporting

## Attachment I

### FASB Request for Comments on Proposed Agenda Project Issues Related to the Recognition of Revenues and Liabilities

#### Dell Computer Corporation responses to specific questions raised for comment

**Question 1: Is there a need for the FASB or others to comprehensively address issues associated with the recognition of revenues and liabilities? If yes, should the FASB take on such an effort or defer to others? If so, to whom?**

Yes. We believe there is a need for a comprehensive effort to address general standards of revenue recognition. Further, we believe that it is appropriate for the FASB to undertake such a project only as it relates to revenue recognition and revenue related liabilities (i.e., revenue deferrals and cost accruals). We recommend that the FASB take a leadership role in the critical area of revenue recognition in order to provide a comprehensive revenue recognition standard that would leverage existing guidance already issued by the standard setters.

**Question 2: Is the proposed scope of such a project as described in this proposal insufficient, appropriate, or too ambitious?**

We believe that the proposed scope of the project is too ambitious as it relates to the recognition of general and broad-based liabilities. There is a perception in the general public that the standard-setting process takes too long to deliberate, develop and implement. We believe that limiting the scope to revenue recognition and related liabilities (i.e., revenue deferrals and cost accruals) is appropriate.

**Question 3: Should specific issues identified above or in the appendix be excluded from the scope of the proposed project? If yes, for each specific issue, please indicate whether it should be addressed as part of another FASB project, by others, or not at all and why.**

Yes. We believe all the issues described in the Appendix of the FASB proposal relating to liabilities (Issues Primarily Related to Liabilities) should be excluded from the scope of the proposed project. Refer to our response to Question 2.

**Question 4: Should specific issues not identified above or in the appendix be addressed as part of the proposed project? If yes, please describe the specific issues and indicate why it is sufficiently crucial that it should be addressed as part of the proposed project.**

No.

**Question 5: Should the proposed project, in addition to developing a new, general accounting standard on revenue recognition and revising the related guidance on revenues and liabilities in Concepts Statements 5 and 6, develop a new general accounting standard on liability recognition?**

No. The proposed project should not include the development of a new general accounting standard on liability recognition. However, we are in favor of a scope that would include liability recognition as it relates directly to revenue recognition. In our opinion, a new general accounting standard on liability recognition should not be added to the Board's agenda until it has satisfactorily addressed this comprehensive revenue recognition standard.