Determine if there is a gain or loss on the exchange of similar fixed assets.

- Compare the book value of the asset given up to the trade-in allowance on the asset given up.

  If Gain
  
  Do not recognize Gain
  
  Record the new asset at the book value of the asset given up plus the boot paid.

  If Loss
  
  Recognize the Loss
  
  Record the new asset at the list price.

- Another way to determine the recorded value of the new asset is Cash Paid plus the lower of book value or trade-in allowance.