

# Depreciating Assets

Use the space provided below to show your work. Be neat and precise. Place your final answers on the dotted lines.

Consider a piece of equipment that costs \$25,000 with an estimated useful life of 8 years and a \$2,500 salvage value.

The Machine also has a useful life of 550,000 units.

Calculate the amount of depreciation expense on the asset for the 1<sup>st</sup> and 2<sup>nd</sup> years using the methods below

1. Straight Line
2. Double Declining
3. Units of Production

Units produced:  
Year 1.....275,000  
Year 2.....169,225