



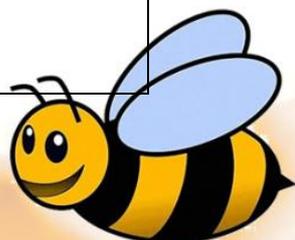
Depreciation Questions

1. Bee is purchasing a new car for the business. Bee is going to be paying £24,000 for the car when it is new. Bee expects the car to last for 3 years and will then be sold for £8,000.

Calculate the depreciation for Bee using the straight-line method?

Bee's accountant has suggested a different method of depreciation could be used. The write down figure each year will be 20%.

Calculate the depreciation for Bee using the reducing balance method?





2. Bee is purchasing a new machine for the business. Bee is going to be paying £70,000 for the machine when it is new. Bee expects the machine to last for 10 years and will then be sold for £3,000.

Calculate the depreciation for Bee using the straight-line method?

Bee's accountant has suggested a different method of depreciation could be used. The write down figure each year will be 10%.

Calculate the depreciation for Bee using the reducing balance method?





3. Bee is purchasing a new computer for the business. Bee is going to be paying £1,500 for the computer when it is new. Bee expects the computer to last for 5 years and will then be sold for £1.

Calculate the depreciation for Bee using the straight-line method?

Bee's accountant has suggested a different method of depreciation could be used. The write down figure each year will be 12%.

Calculate the depreciation for Bee using the reducing balance method?

