

Extra-Ordinary Repairs-Qno.1				
Schedule for Depreciation Charge				
Straight Line Method				
Depreciation =(Total Cost - Scrap Value) x 1/Life				
Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				89,000
2013	$(89,000 - 9,000) \times 1/5 = 16,000 \times 9/12$	12,000	12,000	77,000
2014	$(89,000 - 9,000) \times 1/5$	16,000	28,000	61,000
2015	$(89,000 - 9,000) \times 1/5$	16,000	44,000	45,000
2016, Jan 4	Extra-Ordinary Repairs		(18,500)	
2016, Jan 4	Balance after extra-ordinary repairs		25,500	63,500
2016, Dec 31	$(63,500 - 9,000) \times 1/4$	13,625	39,125	49,875
2017	$(63,500 - 9,000) \times 1/4$	13,625	52,750	36,250
2018, Sep 30	$(63,500 - 9,000) \times 1/4 = 13,625 \times 9/12$	10,219	62,969	26,031
Computation for Gain or Loss on Sale of Machine				
Cost of Machine			89,000	
Less: Accumulated Depreciation			(62,969)	
Book Value			26,031	
Compare: Proceeds from Sale			19,000	
Loss on Sale			(7,031)	

General Journal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
2013					
Mar	31	Machine		89,000	
		Cash			89,000
		(Purchased machine on cash)			
Dec	31	Depreciation Expense		12,000	
		Accumulated Depreciation-Machine			12,000
		(To record estimated depreciation)			
2014					
Dec	31	Depreciation Expense		16,000	
		Accumulated Depreciation-Machine			16,000
		(To record estimated depreciation)			
2015					
Dec	31	Depreciation Expense		16,000	
		Accumulated Depreciation-Machine			16,000
		(To record estimated depreciation)			
2016					
Jan	4	Accumulated Depreciation-Machine		18,500	
		Cash			18,500
		(To record extra-ordinary repairs)			
Dec	31	Depreciation Expense		13,625	
		Accumulated Depreciation-Machine			13,625
		(To record estimated depreciation)			
2017					
Dec	31	Depreciation Expense		13,625	
		Accumulated Depreciation-Machine			13,625
		(To record estimated depreciation)			
2018					
Oct	1	Depreciation Expense		10,219	
		Accumulated Depreciation-Machine			10,219
		(To record estimated depreciation)			
Oct	1	Cash		19,000	
		Accumulated Depreciation-Machine		62,969	
		Loss on Sale		7,031	
		Machine			89,000
		(To record loss on sale)			