Practice:
Fazal and company purchased a machine on Feb 1 2015 at a cost of Rs. 207,000 with scrap value of 7000.
The Estimated life of the machine was 4 years and company used sum of the years' digits method to compute depreciation. The accounting year of the company is of 6 months and ends on August 31 and feb 28 .

	Schedule for Depreciation Charge Sum of the years' digits method Depreciation = (Total Cost - Scrap Value) x Remaining Life / Sum of the years' digits Sum of the years' digits = N(N+1)/2 = 4(4+1)/2 = (4x5)/2 = 20/2 = 10			
Year	**Computation**	**Depreciation Expesne**	**Accumulated Depreciation**	**Book Value**
				207,000
2015 Feb 28	(207,000 - 7,000) x 4 / 10 = 80,000 x 1/ 12	6,667	6,667	200,333
2015 Aug 31	(207,000 - 7,000) x 4/10 = 80,000 x 6/12	40,000	46,667	160,333
2016 Feb 28	(207,000 - 7,000) x 4/10 = 80,000 x 5/12 = 33,333 (207,000 - 7,000) x 3/10 = 60,000 x 1/12 = 5,000	38,333	85,000	122,000
2016 Aug 31	(207,000 - 7,000) x 3/10 = 60,000 x 6/12	30,000	115,000	92,000
2017 Feb 28	(207,000 - 7,000) x 3/10 = 60,000 x 5/12 = 25,000 (207,000 - 7,000) x 2/10 = 40,000 x 1/12 = 3,333	28,333	143,333	63,667
2017 Aug 31	(207,000 - 7,000) x 2/10 = 40,000 x 6/12= 20,000	20,000	163,333	43,667
2018 Feb 28	(207,000 - 7,000) x 2/10 = 40,000 x 5/12 = 16,667 (207,000 - 7,000) x 1/10 = 20,000 x 1/12 = 1,667	18,334	181,667	25,333
2018 Aug 31	(207,000 - 7,000) x 1/10 = 20,000 x 6/12= 10,000	10,000	191,667	15,333
2019 Jan 31	(207,000 - 7,000) x 1/10 = 20,000 x 5/12= 8,333	8,333	200,000	7,000