

Schedule for Depreciation Charge

Diminishing Balance Method

$$\text{Depreciation} = (\text{Total Cost} - \text{Accumulated Depreciation}) \times \text{Rate}$$

$$\text{Rate} = 1/\text{life} \times 2 \times 100$$

$$\text{Rate} = 1/5 \times 2 \times 100$$

$$\text{Rate} = 40\%$$

Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				150,000
2001	$(150,000 - 0) \times 40/100$	60,000	60,000	90,000
2002	$(150,000 - 60,000) \times 40/100$	36,000	96,000	54,000
2003	$(150,000 - 96,000) \times 40/100$	21,600	117,600	32,400
2004	$(150,000 - 117,600) \times 40/100$	12,960	130,560	19,440
2005	$(150,000 - 130,560) \times 40/100 = 7,776$	9,440	140,000	10,000

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$$\text{Rate} = 40\%$$

Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				150,000
2001	$(150,000 - 0) \times 40/100 = 60,000 \times 5/12$	25,000	25,000	125,000
2002	$(150,000 - 25,000) \times 40/100$	50,000	75,000	75,000
2003	$(150,000 - 75,000) \times 40/100$	30,000	105,000	45,000
2004	$(150,000 - 105,000) \times 40/100$	18,000	123,000	27,000
2005	$(150,000 - 123,000) \times 40/100$	10,800	133,800	16,200
2006	$(150,000 - 133,800) \times 40/100 = 6,480 \times 7/12 = 3,780$	6,200	140,000	10,000

Schedule for Depreciation Charge**Sum of the Years' Digits Method**

Depreciation = (Total Cost - Salvage Value) x Remaining Life / Sum of the years' digits

Sum of the years' digits = $N(N+1) / 2$, where N = Life in years

$$= 5(5+1)/2$$

$$= 5(6)/2$$

$$= 30/2$$

$$= 15$$

Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				150,000
2001	$(150,000 - 10,000) \times 5/15$	46,667	46,667	103,333
2002	$(150,000 - 10,000) \times 4/15$	37,333	84,000	66,000
2003	$(150,000 - 10,000) \times 3/15$	28,000	112,000	38,000
2004	$(150,000 - 10,000) \times 2/15$	18,667	130,667	19,333
2005	$(150,000 - 10,000) \times 1/15$	9,333	140,000	10,000

Schedule for Depreciation Charge**Sum of the Years' Digits Method**

Depreciation = (Total Cost - Salvage Value) x Remaining Life / Sum of the years' digits

Sum of the years' digits = $N(N+1) / 2$, where N = Life in years

Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				150,000
2001	$(150,000 - 10,000) \times 5/15 = 46,667 \times 10/12$	38,889	38,889	111,111
2002	$(150,000 - 10,000) \times 5/15 = 46,667 \times 2/12 = 7,778$ $(150,000 - 10,000) \times 4/15 = 37,333 \times 10/12 = 31,111$	38,889	77,778	72,222
2003	$(150,000 - 10,000) \times 4/15 = 37,333 \times 2/12 = 6,222$ $(150,000 - 10,000) \times 3/15 = 28,000 \times 10/12 = 23,333$	29,555	107,333	42,667
2004	$(150,000 - 10,000) \times 3/15 = 28,000 \times 2/12 = 4,667$ $(150,000 - 10,000) \times 2/15 = 18,667 \times 10/12 = 15,556$	20,223	127,556	22,444
2005	$(150,000 - 10,000) \times 2/15 = 18,667 \times 2/12 = 3,111$ $(150,000 - 10,000) \times 1/15 = 9,333 \times 10/12 = 7,778$	10,889	138,445	11,555
2006	$(150,000 - 10,000) \times 1/15 = 9,333 \times 2/12 = 1,555$	1,555	140,000	10,000