Qno1:

Disposal-Sale

Schedule for Depreciation Charge
Straight Line Method
Depreciation =(Total Cost - Scrap Value) x 1/Life

Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value
				250,000
2001	(250000-20000)x1/10	23,000	23,000	227,000
2002	(250000-20000)x1/10	23,000	46,000	204,000
2003	(250000-20000)x1/10	23,000	69,000	181,000
2004	(250000-20000)x1/10	23,000	92,000	158,000
2005	(250000-20000)x1/10	23,000	**115,000**	**135,000**
2006	(250000-20000)x1/10	23,000	**138,000**	**112,000**
2007	(250000-20000)x1/10	23,000	161,000	89,000
2008	(250000-20000)x1/10=23,000 x 6/12	11,500	**172,500**	**77,500**

Case no 1:

Computation for Loss or Gain on Sale of Machine	
Cost of Machine	250,000
Less: Accumulated Depreciation	(138,000)
Book Value	112,000
Compare: Proceeds from Sale-Selling Price	120,000
Gain on Disposal	8,000

Case no 2:

Computation for Loss or Gain on Sale of Machine	
Cost of Machine	250,000
Less: Accumulated Depreciation	(172,500)
Book Value	77,500
Compare: Proceeds from Sale-Selling Price	70,000
Loss on Disposal	(7,500)

Case no 3:

Computation for Loss or Gain on Sale of Machine	
Cost of Machine	250,000
Less: Accumulated Depreciation	(115,000)
Book Value	135,000
Compare: Proceeds from Sale-Selling Price	135,000
Breakeven at Disposal	-

Accounting with Jaweed Hassan(ACMA,MBA) Cell No: 0332-2935798
Email:javedhassanbatooq@gmail.com fb: https://www.facebook.com/JavedHassanBatooq