

ACC 510
Problem 3-1
Depreciation

Based on the following information, calculate depreciation for straight line, units of activity and double declining balance methods. Prepare the journal entry for year one straight line method and illustrate the balance sheet presentation for the DDB method after the first year.

Purchase Date 1-1-2008

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|-----------------------|----------|
| Truck Cost | \$30,000 |
| Salvage Value | \$2,000 |
| Estimated Mileage | 100,000 |
| Estimated Useful Life | 8 |
| Mileage 2008 | 15,000 |
| Mileage 2009 | 12,000 |