46) Jake purchased a $200,000 crane for his construction business. He sold the crane for $145,000 after taking $110,000 of depreciation. What are the nature and the amount of gain or loss on the sale? On what tax form would the gain or loss be reported?

50) Davidson Industries, a sole proprietorship, sold the following assets in 2009

Asset Cost Acquired Depreciation Sales price Sale Date

Warehouse $150,000 10/10/05 $28,000 $175,000 3/15/09

Truck 18,000 01/15/08 4,500 16,000 1/15/09

Computer 25,000 07/31/08 3,000 21,000 8/31/09

Determine the amount and the character of the realized and recognized gain or loss from the sale of each asset.

How would your answer change if the computer were a personal computer used at home?

56) Ramon received a gift of stock from his uncle. The basis of the stock to his uncle was $20,000, and it had an FMV at the date of the gift of $13,000. The donor held the property for more than one year. Complete the following chart under the independent situations shown:

 Situation 1 Situation 2 Situation 3

Donor’s basis $20,000 $20,000 $20,000

FMV at gift date 13,000 13,000 13,000

Ramon’s selling price 25,000 10,000 15,000

Basis to Ramon ---- -- ---

Taxable gain if any --- ---- ---

Deductible loss if any ---- ----- -----