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| E11 – 5 Depreciation methods |

For each of the following depreciable assets, determine the missing amount (?). Abbreviations for depreciation methods are SL for straight line, SYD for sum-of-the-years' digits, and DDB for double-declining balance.



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| **E 11-10** |   | Double-declining-balance method; switch to straight line |   |  |

On January 2, 2011, the Jackson Company purchased equipment to be used in its manufacturing process. The equipment has an estimated life of eight years and an estimated residual value of $30,625. The expenditures made to acquire the asset were as follows:



Jackson's policy is to use the double-declining-balance (DDB) method of depreciation in the early years of the equipment's life and then switch to straight line halfway through the equipment's life.

**Required:**

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| 1. |   | Calculate depreciation for each year of the asset's eight-year life. |
| 2. |   | Discuss the accounting treatment of the depreciation on the equipment. |