Berman Company sold equipment on June 30, 2005 for $40,000. The equipment

had cost $105,000 and had $60,000 of accumulated depreciation as of January 1,

2005. Depreciation for the first 6 months of 2005 was $6,000.

Prepare the journal entry to record the sale of the equipment.

Account Title Debit Credit

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56. Neal and Company originally purchased a dump truck for $36,000. The truck had

a 10-year useful life, and the accumulated depreciation was $30,000 when they

sold the truck for $4,000.

Prepare the journal entry to record the sale of the truck.

Account Title Debit Credit

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57. Presented below are two independent transactions.

1. Global Company exchanged old trucks (cost $64,000 less $22,000

accumulated depreciation) plus cash of $17,000 for new trucks. The old

trucks had a fair market value of $38,000.

2. Rijo Inc. trades its used machine (cost $12,000 less $4,000 accumulated

depreciation) for a new machine. In addition to exchanging the old

machine (which had a fair market value of $9,000) Rijo also paid cash of

$2,000.

**Instructions**

(a) Prepare the entry to record the exchange of similar assets by Global Company.

(b) Prepare the entry to record the exchange of similar assets by Rijo Inc.

-11-

(a) Account Title Dr. Cr.

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(b) Account Title Dr. Cr.

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