|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **E10-8** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Jerry Grant, the new controller of Blackburn Company, has received the expected useful lives and salvage values of**  |
| **Selected depreciable assets at the beginning of 2008. His findings are as follows:** |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | Date |  | Accumulated | Useful | Useful | Salvage | Salvage  |  |
| Asset | Acquired | Cost | Depreciation | Life (old) | Life (new) | Value (old) | Value (new) |  |
| Building | 1/1/2002 | $800,000 | $114,000 | 40 | 50 | $40,000 | $37,000 |  |
| Warehouse | 1/1/2003 | 100,000 | 19,000 | 25 | 20 | 5,000 | 3,600 |  |
|  |  |  |  |  |  |  |  |  |
| All assets are depreciated by the straight-line method. Blackburn Company uses a calendar year in preparing annual |
| financial statements. After discussion, management has agreed to accept Jerry's proposed changes. |  |
|  |  |  |  |  |  |  |  |  |
| Compute the revised annual depreciation on each asset in 2008 |  |  |  |  |