**E 11-10.** 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

Purchase price $154,000

Freight charges 2,000

Installation charges 4,000

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

**Required**

1. Depreciation for each year of the asset’s eight year life
2. Discuss the accounting treatment of the depreciation on the equipment

**E11-14**

Janes Corporation provided the following information on intangible assets:

1. A patent was purchased from the Lou Company for $700,000 on January 1, 2009. Janes estimated the remaining useful life of the patent to be years. The patent was carried on Lou’s accounting records as a net book value of $350,000 when Lou sold it to Janes.
2. During 2011, a franchise was purchased from the Rink Company for $500,000. The contractual life of the franchise is 10 years and Janes records a full year of amortization in the year of purchase.
3. Janes incurred research and development costs in 2011 as follows:

Materials and supplied $140,000

Personnel $180,000

Indirect costs $ 60,000

Total $380,000

1. Effective January 1, 2011, based on new events that have occurred. Janes estimates that the remaining life of the patent purchased from Lou is only five years.

**Required**

1. Prepare the entries necessary in 2009 and 2011 to reflect the above information
2. Prepare a schedule showing the intangible asset section of Janes’ December 31, 2011, balance.