At the beginning of 2012, Precision Manufacturing purchased a new computerized drill press for $50,000, it is expected to have a five-year life and a $5000.00 salvage value.

Required:

1. Compute the depreciation for each of the five years, assuming that the company uses
2. Straight Line depreciation
3. Double decline balance depreciation
4. Record the purchase of the drill press and the depreciation expense for the first year under the straight line and double declining balance methods in a financial statement like the one below

Assets = Equity Rev - Expense = Net Inc Cash Flow

Cash + Drill Press - Acc Dep = Ret Earn