

**ACTIVITY 5**

Cost price	Date	Depreciation	Accumulated depreciation	Carrying value
200 000	31 Dec 2008	50 000	50 000	150 000
	31 Dec 2009	50 000	50 000 + 50 000 = 100 000	100 000
	31 Dec 2010	50 000	100 000 + 50 000 = 150 000	50 000
	31 Dec 2011	<b>49 999</b>	<b>199 999</b>	<b>1</b>

**ACTIVITY 6**

**DEPRECIATION**

Feb	28	Accumulated depreciation on vehicles	72 000						
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**ACCUMULATED DEPRECIATION ON VEHICLES**

				Feb	28	Depreciation	72 000
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**GENERAL JOURNAL**

	DEBIT	CREDIT
Depreciation	72 000	
Accumulated depreciation on vehicles		72 000
Depreciation on vehicles at 20% p.a.		

**ACTIVITY 7**

**1 Calculation of depreciation**

$$40\,500 - 4\,500 = 36\,000$$

$$\text{Depreciation} = 36\,000 \times 10\% = 3\,600$$

**2 Asset register**

Date	Cost	Depreciation	Accumulated depreciation	Book value
<b>1 Jan 2010</b>	<b>45 000</b>	<b>0</b>	<b>0</b>	<b>45 000</b>
<b>31 Dec 2010</b>		<b>4 500</b>	<b>4 500</b>	<b>40 500</b>
31 Dec 2011		3 600	8 100	36 900

**3 Recording in General Ledger**

Vehicles

2011	1	Balance	b/d	40 500				
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**Accumulated depreciation on vehicles**

					2011 Jan	1	Balance	b/d	4 500
					2011 Dec	31	Depreciation		3 600

**Depreciation**

2011 Dec	31	Accumulated depreciation on vehicles		3 600					

**4 Note to Financial statements**

**Note 3 – Tangible / Fixed assets**

	<b>Vehicles</b>
Cost	45 000
Accumulated depreciation	(4 500)
Carrying value end of last year	40 500
<b>Movements</b>	
Additions at cost	
Disposals at carrying value	
Depreciation for the year	(3 600)
Carrying value end of current year	36 900
Cost	45 000
Accumulated depreciation	(8 100)

**5 Balance sheet**

**BALANCE SHEET**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Fixed assets	36 900

**CLASS TEST**

**INFORMATION**

no	Asset	Cost	Accumulated depreciation	Method of depreciation	Basis of depreciation	Depreciation
1	Equipment	168 000	20 000	Diminishing balance method	15% p.a.	? 22 200✓✓
2	Equipment	118 000	14 520	Cost	? 20%✓✓	23 600
3	Delivery van	245 000	45 000	Diminishing balance method	20% p.a.	? 40 000✓✓
4	Office desk	4 800	480	Fixed instalment	10% p.a.	? 480✓✓
5	Delivery van	120 000	108 000	Straight line	15% p.a.	? 11 999✓✓

## RECORDING DEPRECIATION

### GENERAL LEDGER

#### DEPRECIATION

Feb	28	Accumulated depreciation on vehicles		2 000				

#### ACCUMULATED DEPRECIATION ON VEHICLES

				Feb	28	Depreciation		2 000

### GENERAL JOURNAL

		DEBIT	CREDIT
	Depreciation	2 000	
	Accumulated depreciation on vehicles		2 000
	Depreciation on vehicles at 20% p.a.		