ASSIGNMENT 6 – TEMPLATE

Problem 9-1A (25 minutes)

Part 1

	Land	*Building Two*	*Building Three*	*Land Impmnts. One*	*Land Impmnts. Two*
Purchase price*	2924800	1051100	0	594100	0
Demolition	703160	0	0	0	0
Landscaping	272020	0	0	0	0
New building	0	0	2476000	0	0
New improvements	0	0	0	0	254600
Totals	3899980	1051100	2476000	594100	254600

*Allocation of purchase price:

	Appraised value	% of total	Apportioned cost
Land	2990720	64%	2924800
Building two	1074790	23%	1051100
Land improvement one	607490	13%	594100
Total	4673000	100%	

PART 2

	Particulars	DR	CR
31-Mar	Land a/c	3899980	
	Building two a/c	1051100	
	Building three a/c	2476000	
	Land improvement one a/c	594100	
	Land improvement two a/c	254600	
	To cash a/c		8275780

Problem 9-5A (25 minutes)

Year	Depreciation Method[1]:		
	Straight-line	Double-declining balance	Units-of-production[2]
2023	53000	138000	34560
2024	63600	138000	85440
2025	63600	110400	73680

1. *Depreciation is calculated to the nearest month.*
2. *Assume actual hours of service were: 2023: 720; 2024: 1,780; 2025: 1,535.*

Analysis component:

Single line method:

(828000-192000)/10

= 63600 Annual

Monthly= 63600/12

= 5300

Depreciation for march to December: 5300*10

= 53000

Double Declining method

Depreciation rate= 1/10*2

= 20%

2023= 828000*20%

= 165600

= 165600*10/12

= 138000

2024= (828000-138000)*20%

= 138000

2025= (828000-138000-138000)*20%

= 110400

Units-of-production

2023= (828000-192000)/13250*720

= 34560

2024= (828000-192000)/13250*1780

= 85440

2025= (828000-192000)/13250*1535

= 73680

Problem 9-11A (20 minutes)

2023			
Mar.	26		
		Delivery truck a/c DR	96200
		To cash a/c	96200
Dec.	31		
		Depreciation cost	12930
		To accumulated depreication	12930
2024			
Dec.	31		
		Depreciation cost	21160
		To accumulated depreication	21160

1.

Depreciation for 31st December 2023= Cost of machine-Salvage value/life

= [(92000+4200)-10000]/5

= 17240*9/12

= 12930

2.

Depreciation for 31st December 2024

= 96200-12930-14500/(4-9/12)

= 21160

Problem 9-16A (45 minutes)

1.

2023			
Jan. 2			
	Cash a/c DR	116900	
	To Machinery a/c		116900
3			
	Machinery a/c DR	4788	
	To accounts payable a/c		4788
3			
	Machinery a/c DR	1512	
	To accounts payable a/c		1512

2.

2023			
Dec. 31			
	Depreciation a/c	58460	
	To accumulated depreciation a/c		58460

2028			
Sept. 30			
	Cash a/c		21000
	To machinery a/c		

3(a).

30			
	Cash a/c DR		21000
	Accumulated depreciation a/c DR (85400+12810)		98210
	Loss on disposal a/c DR (123200-21000-98210)		3990
	To machine a/c		123200

3(b).

30			
	Cash a/c		27300
	Accumulated depreciation a/c (85400+12810)		98210
	To gain on disposal a/c		2310
	To machine a/c		123200

3(c).

3
0

Cash a/c	25760	
Accumulated depreciation a/c	98210	
To gain on disposal a/c		770
To machine a/c		123200

Working

	116900
Add: Repaid before installation	4788
Add: Installation cost	1512
total machine cpost	123200
less: residual value	20720
depreciation	102480
Annual depreciation	17080
book value on 1st Jan	123200
less : depreciation till 31st December	85400
less: half year depreciation	12810
book value	24990

Problem 9-16A *(continued)*

1. **Accumulated depreciation =**

2.

3. **Gain (Loss) =**

4. **Gain (Loss) =**

5. **Gain (Loss) =**