

Section 4.4



Outdoor Water Park You own an outdoor water park and you purchase new equipment. In Exercises 23 and 24, make a straight-line depreciation schedule for the equipment.

23.



Cost: \$2500
 Salvage value: \$500
 Useful life: 5 years

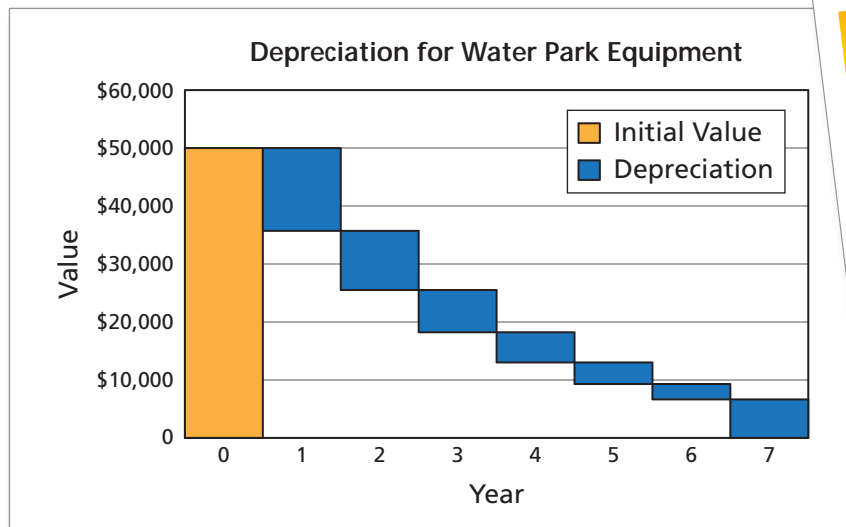
24.



Cost: \$4000
 Salvage value: \$1200
 Useful life: 7 years



Outdoor Water Park You own an outdoor water park and you purchase new equipment. A graph of the double declining-balance depreciation schedule for the equipment is shown. In Exercises 25–28, use the graph.



25. How much depreciation did you expense in year 1?
26. How much depreciation did you expense in year 7?
27. Using double declining-balance depreciation, how much more of the value did you expense during the first 4 years when compared to straight-line depreciation?
28. Suppose you had used sum of the years-digits depreciation instead of double declining-balance depreciation. How much more did you expense during the first 4 years when compared to straight-line depreciation?