Construction Equipment **The owner of a construction company buys new equipment. In Exercises 7 and 8, make a double declining-balance depreciation schedule for the equipment.** ***(See Examples 3 and 4.)***

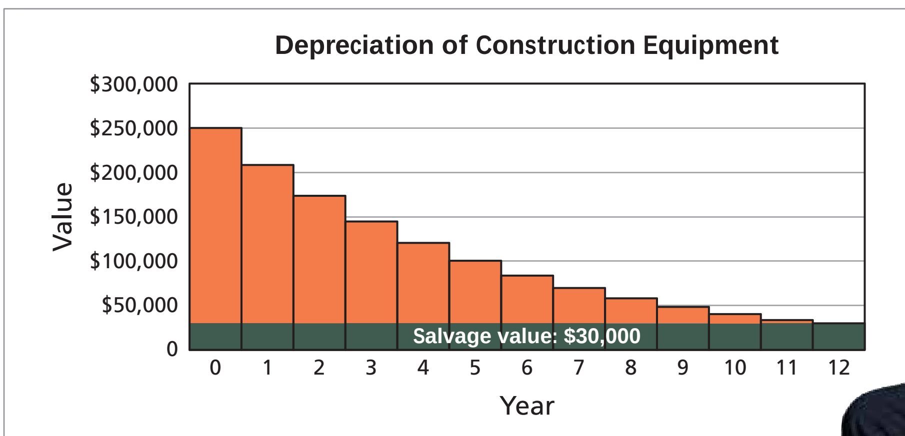
7.

Cost: $50,000
Salvage value: $10,000
Useful life: 5 years

8.

Cost: $60,000
Salvage value: $12,000
Useful life: 8 years

Construction Company **The owner of a construction company buys new equipment. A graph of the double declining-balance depreciation schedule for the equipment is shown. In Exercises 9–14, use the graph.** ***(See Examples 3 and 4.)***



9. What is the value of the equipment after 3 years?

10. What is the value of the equipment after 5 years?

11. How much depreciation did the company expense in year 8?

12. How much depreciation did the company expense in year 12?

13. Using double declining-balance depreciation, how much more of the value did the company expense during the first 6 years when compared to straight-line depreciation?

14. Is there any year in which the value of the equipment using double declining-balance depreciation is greater than the value of the equipment using straight-line depreciation?