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## Computerised Accounting Practical Model

### Question, Procedure and Output

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#### Title : Depreciation – Straight Line Method

#### Question

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Below is given the costs incurred, salvage value and Life of various assets. Find out the annual depreciation to be charged on each asset under Straight Line Method.

Name of Asset	Purchase Cost	Transportation Charges	Installation Charges	Pre-Operative Expense	Salvage Value	Life in Years
Machinery	150000	2500	4000	1000	5000	10
Furniture	28000	1800	2000	800	2000	12
Motor Van	458000	0	0	2200	3000	8

#### Procedure

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- Step-1 : Open a blank worksheet in excel
- Step-2 : Enter the table headings in different cells as given below:

Cell	Value
A1	Name of Asset
B1	Purchase Cost
C1	Transportation Charges
D1	Installation Charges
E1	Pre-operating Expense
F1	Salvage Value
G1	Life in Years
H1	Total Cost
H1	Annual Depreciation

- Step-3 : After creating the table headings enter Name of Asset, Purchase Cost, Transportation Charges, Installation Charges, Pre-operating Expense, Salvage Value and Life of Assets of each asset as given in question.
- Step-4 : In the cell H2 enter the formula **=SUM(B2:E2)** to get the Total Cost of Asset and copy the formula for the remaining assets.
- Step-5 : In the cell I2 enter the formula **=SLN(H2,F2,G2)** to get the annual depreciation under Straight Line Method and copy the formula down to the remaining cells

## Output

	A	B	C	D	E	F	G	H	I
1	Name of Asset	Purchase Cost	Transportation Charges	Installation Charges	Pre-Operative Expense	Salvage Value	Life in Years	Total Cost	Annual Depreciation
2	Machinery	150000	2500	4000	1000	5000	10	157500	15,250
3	Furniture	28000	1800	2000	800	2000	12	32600	2,550
4	Motor Van	458000	0	0	2200	3000	8	460200	57,150