

Mega Company purchased Machinery on 1st Apr, 2019, relevant information is given below:

Cost Price	Transportation	Taxes	Salvage Value	Useful
BD39000	BD500	BD1500	BD1000	4 years

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Evaluation Instructions

- Understand the question
- Try to Finish the solution o

Required:

- (A) By using the Straight Line Method, calculate the depreciation expense, accumulated depreciation and the net book value.
 (B) Prepare the journal entry for the first and second year.

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Annual Period	Depreciation For the Period			End Of the Period	
	Depreciable Cost	Useful Life	Depreciation Expense	Accumulated Depreciation	Net Book Value
1/4/2019	-	-	-	-	41,000
31/12/2019	40,000	a-(.....)	= 7,500	7,500	41,000 – 7,500 =33,500
31/12/2020	b-(.....)	÷ 4	= 10,000	17,500	c-(.....)
31/12/2021	40,000	÷ 4	=10,000	27,500	13,500
31/12/2022	40,000	÷ 4	= 10,000	d- (.....)	3,500
1/4/2023	40,000	÷ 4 × $\frac{3}{12}$	= 2,500	40,000	e-(.....)