# ALL YOU NEED TO KNOW ABOUT DEPRECIATION

***Live your adventure*** is a company dedicated to active tourism activities, created on January 1st 2011.

***We have following information related to their facilities:*** details can be found on balance sheet. Fiscal regulation allows depreciating assets in 10 years. But the company has decided depreciating in 8 years. Take into account that the building includes lands valued in 7.500€. Residual value is zero.

Balance sheet at December 31st 2011 includes:

| Total Assets | | Equity and Liabilities | |
|---|---|---|---|
| 25.000 | Building | Paid capital | 20.000 |
| 40.000 | Machines (6 machines) | Grant | 10.000 |
| 17.000 | Transport elements | Long term Loan | 40.000 |
| 5.000 | Raw material Stock | Short term Loan | 10.000 |
| 10.000 | Customers | Suppliers | 15.000 |
| 3.000 | Cash | Bill liabilities | 5.000 |

## Apply formulas, calculate and fill the table:

$$Depreciation\ base = Assets\ value - lands - residual\ value$$

$\boldsymbol{Depreciation\ base} =$ _____ − _____ − _____

$Depreciation\ base =$ _____

$Depreciation\ of\ the\ year = depreciation\ base \div number\ of\ years$

$Total\ depreciation =$ _____ = _____

$Legal\ depreciation =$ _____ = _____

$Over\ the\ law\ depreciation = Total\ deprec - Legal\ deprec$

$Over\ the\ law\ depreciation =$ _____ − _____ = _____

| CONCEPT | COLLECTION | PAYMENT | INCOME | EXPENSE | PRODUCT | COST |
|---|---|---|---|---|---|---|
| Legal depreciation | | | | | | |
| Over the law depr. | | | | | | |



LIVEWORKSHEETS