

## 9 Depreciation and amortization, p.25

### 9.1 Match the words in the box with the definitions below.

appreciate	obsolete	current assets	revalue	fixed assets	wear out
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- \_\_\_\_\_ to record something at a different price;
- \_\_\_\_\_ assets that will no longer be in the company in 12 months' time;
- \_\_\_\_\_ to increase rather than decrease in value;
- \_\_\_\_\_ out of date, needing to be replaced by something newer;
- \_\_\_\_\_ assets that will remain in the company for several years;
- \_\_\_\_\_ to become used and damaged.

### 9.2 Match the verbs in the box with the given nouns to make word combinations. Write the appropriate verbs from the box next to the nouns. Then use some of the word combinations to complete the sentences below.

deduct	appreciate	record	reduce	depreciate
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1. _____ costs	5. _____ market value
2. _____ profits	6. _____ purchase price
3. _____ fixed assets	7. _____ land
4. _____ value	

- Because we \_\_\_\_\_ the \_\_\_\_\_, we don't have to worry about the market value of fixed assets.
- To depreciate \_\_\_\_\_, we \_\_\_\_\_ part of their \_\_\_\_\_ from profits each year.
- Because \_\_\_\_\_ usually appreciates, companies do not generally \_\_\_\_\_ its \_\_\_\_\_ on the balance sheet.

### 9.3 Match the two parts of the sentences and write the answers (letters A-E) in the box provided below.

1. All fixed assets can appreciate if there is high inflation, 2. Accelerated depreciation allows companies to 3. Fixed assets generally lose value, except for land, 4. The straight-line method of depreciation 5. Accelerated depreciation reduces companies' tax bills,	A. which usually appreciates. B. charges equal amounts against profits every year. C. remove some extremely valuable assets from their balance sheets. D. which encourages them to invest in new factories, etc. E. but historical cost accounting ignores this.
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1.	2.	3.	4.	5.