Bellwork: Subunit 3.4 – Calculating Depreciation

Instructions: Work independently. Provide the correct answers in the spaces provided. No calculations or working are required.

Application: Provide the correct amount

Case Study: GreenTech Ltd

GreenTech Ltd purchased a delivery van on 1 January 2025 for €36,000. The business estimates that the van will have a residual value of €6,000 after five years of use.

1. What is the annual depreciation expense using the straight-line method?
2. What is the net book value of the van at the end of the first year (31 December 2025)?
3. What is the net book value of the van at the end of the third year (31 December 2027)?

Case Study: PrintPro Ltd

PrintPro Ltd purchases a printing machine for €48,000. The machine has an estimated residual value of €3,000 and is expected to produce 90,000 units during its useful life.

During its first year, the machine produces 18,000 units.

4. Using the units of production method, what is the depreciation expense for the first year?

LIVEWORKSHEETS