

Depreciation Schedule Examples

Module: 07-03
April 9, 2003

DDB With Truncation

IC = \$50,000
SV = \$10,000

Year	Truncate	
	DDB	BK
0	40%	50,000
1	20,000	30,000
2	12,000	18,000
3	7,200	10,800
4	800	10,000
5		10,000

Straight Line Depreciation

IC = \$50,000
SV = \$10,000

Year	ST-Line	Book
0	20%	50,000
1	8,000	42,000
2	8,000	34,000
3	8,000	26,000
4	8,000	18,000
5	8,000	10,000

DDB with Conversion to Straight Line – Like MACRS

IC = \$50,000 SV = \$0

Year	Conversion to St-Line			
	DDB	BK/Yrs	DEPR	BK
0	40%			50,000
1	20,000	10,000	20,000	30,000
2	12,000	7,500	12,000	18,000
3	7,200	6,000	7,200	10,800
4	4,320	5,400	5,400	5,400
5	2,160	5,400	5,400	0

MACRS – 5 Year Equipment with \$50,000 Initial Cost

Year	MACRS%	Depr	BK
0			50,000
1	20.00	10,000	40,000
2	32.00	16,000	24,000
3	19.20	9,600	14,400
4	11.52	5,760	8,640
5	11.52	5,760	2,880
6	5.76	2,880	0