

Name: _____ Date: _____

Double Declining Depreciation

If you have an asset (pizza oven) with a price of \$8,000, salvage value of \$1000, and a useful life of 12 years:

Calculate the Rate:

$$\text{Declining Balance Rate} = (100\% / \# \text{ of years}) \cdot 2$$

So a useful life of **12** years:

$$(100 / 12 \text{ years}) \cdot 2 = 16.66\%$$

Calculate depreciation and book value for five years:

Year	Rate	Depreciation	Book Value
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

From Gilbertson, C.B., Lehman, M. W., and Ross, K.E. (2006). *Century 21 Accounting, General Journal*. 8th ed.