

## **ACT201 SECTION 5**

### **ASSIGNMENT 3 (19 marks)**

Jojo Ltd. purchased a machinery on January 1, 2020.

Cost	\$15,000
Expected salvage value	\$ 1,000
Estimated useful life in years	10 years
Estimated useful life in machine hours	7,000 hours

- a. Compute end of year book value for the **first two years** using the Declining Balance method. You must prepare a depreciation schedule for this method.
- b. Compute end of year book value for the **first year** using the Straight Line method. You must prepare a depreciation schedule for this method.
- c. Compute end of year book value for the **first year** using the Units of Activity method. Actual machine hours of use in 2020 was 300 hours. You must prepare a depreciation schedule for this method.

#### **Instructions**

- Solve the questions using pen and paper (with clear handwriting), and submit the paper(s) to me in the classroom.
- Write your full name, student ID, section no. and assignment no. on the first page of your answer sheet.
- Deadline: 2:10 PM on August 20, Wednesday.
- LATE SUBMISSIONS WILL NOT BE GRADED.
- Failure to follow instructions will lead to deduction of marks.