## Exercise 4: Depreciating and disposing an asset

Cassie is the Accountant at the Contoso Company. It is the end of the month, and Cassie must create a proposal to depreciate all the assets in the Fixed asset group MACH. After she creates the proposal, Cassie's manager reviews it, and then Cassie posts the proposal.

### To record the depreciation, follow these steps.

1. Navigate to **Fixed assets** > **Journal entries > Fixed assets journal.**
2. Select the **New** button to create a journal
3. In the **Name** field, select **FACur** (Fixed Asset Entries - Current).
4. Select the **Lines** button.
5. In the **Transaction type** field, select **Depreciation**.
6. In the **Account** field, select the asset **Gas boiler #2**.
7. The **Book** will default based on the set up of the asset selected in the **Account** field. In this case it would be **CONSUM**
8. In the **Description** field, select **Depreciation**.
9. In the **Credit** field, enter 600.00. The **Offset account type** and **Offset account** will default based on the Posting profile for the Book.
10. Select the **General** tab.
11. In the **Consumption units** field enter 2.
12. Select the **Post** button.
13. Close all the forms.
14. Navigate to **Fixed assets > Fixed assets > Fixed assets**.
15. Select **Gas boiler #2**
16. Select **Books > Transactions** and verify the amount of the voucher for the depreciation.
17. Close all forms.

### To dispose of an asset, follow these steps.

1. Navigate to **Fixed assets** > **Journal entries > Fixed assets journal.**
2. Select the **New** button to create a journal
3. In the **Name** field, select **FACur** (Fixed Asset Entries - Current).
4. Select the **Lines** button.
5. In the Date field, enter a date 1 day after the date of your last acquisition date.
6. In the **Transaction type** field, select **Disposal - sale**.
7. In the **Account** field, select the asset **Gas boiler #2**.
8. The **Book** will default based on the set up of the asset selected in the **Account** field. In this case it would be **CONSUM**
9. In the **Description** field, enter **Disposal**.
10. In the **Debit** field, enter 9000.00. The **Offset account type** and **Offset account** will default based on the Posting profile for the Book.
11. Select the **Post** button.
12. Close all the forms.
13. Navigate to **Fixed assets > Fixed assets > Fixed assets**.
14. Select **Gas boiler #2**
15. Select the **Books** button. Note that the **Status** is now set to **Sold**.
16. Select **Transactions** and review the amounts of each voucher.
17. Close all forms.