

Question 9

Superior Couriers

1

Calculation of the depreciation expense on the motor vehicle:

Cost	\$40,000	
20% Depreciation	<u>8,000</u>	Depreciation expense for year ended 30/6/2017
Carrying amount on 30 June 2017	32,000	
20% Depreciation	<u>6,400</u>	Depreciation expense for year ended 30/6/2018
Carrying amount on 30 June 2018	25,600	
20% Depreciation	<u>5,120</u>	Depreciation expense for year ended 30/6/2019
Carrying amount on 30 June 2019	<u>\$20,480</u>	

2

General Journal

Date	Details	Debit	Credit
2017 Jun 30	Depreciation of Motor Vehicle Accumulated Depreciation of Motor Vehicle <i>Depreciation expense to 30 June 2017.</i>	8,000	8,000

3

Superior Couriers

Balance Sheet (extracts) as at

	30 June 2017	30 June 2018	30 June 2019
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Non-Current Assets

Motor Vehicles	40,000	40,000	40,000
Less Accumulated Depreciation	<u>(8,000)</u> 32,000	<u>(14,400)</u> 25,600	<u>(19,520)</u> 20,480

Question 9 continued
Superior Couriers

4

Calculation of the depreciation expense on the motor vehicle:

Cost	\$3,200	
25% Depreciation	800	Depreciation expense for year ended 30/6/2018
Carrying amount on 30 June 2017	2,400	
25% Depreciation	600	Depreciation expense for year ended 30/6/2019

(c) Accumulated depreciation on 30 June 2019 = \$800 + \$600 = \$1,400

Question 10
The Book World Store

1

Calculation of the depreciation expense on the motor vehicle:

Cost	\$30,900	
30% Depreciation	9,270	Depreciation expense for year ended 30 June 2017
Carrying amount on 30 June 2017	21,630	
30% Depreciation	6,489	Depreciation expense for year ended 30 June 2018
Carrying amount on 30 June 2018	15,141	
30% Depreciation	4,542	Depreciation expense for year ended 30 June 2019
Carrying amount on 30 June 2019	\$10,599	

2

General Journal

Date	Details	Debit	Credit
2017 Jun 30	Depreciation of Motor Vehicle Accumulated Depreciation of Motor Vehicle <i>Depreciation expense for year ended 30 June 2017.</i>	9,270	9,270

3

Carrying amount at 30 June 2019 = \$10,599

Question 11

Fridge and Washer World

1 and 2

Calculation of the depreciation expense on the motor vehicle:

Value in Balance Sheet	\$40,400	
Less Accumulated depreciation	<u>6,060</u>	
Carrying amount on 30 June 2019	34,340	
30% Depreciation	<u>10,302</u>	Depreciation expense for year ended 30 June 2020
Carrying amount on 30 June 2020	24,038	
30% Depreciation	<u>7,211</u>	Depreciation expense for year ended 30 June 2021
Carrying amount on 30 June 2021	16,827	
30% Depreciation	<u>5,048</u>	Depreciation expense for year ended 30 June 2022

Question 12

Dynamic Traders

Calculation of the depreciation expense on the delivery vehicle:

Cost	\$24,000	
25% Depreciation	<u>6,000</u>	Depreciation expense for year ended 30 June 2019
Carrying amount on 30 June 2019	18,000	
25% Depreciation	<u>4,500</u>	Depreciation expense for year ended 30 June 2020

Calculation of the depreciation expense on the office furniture

The motor vehicle depreciation expense for the year ended 30 June 2020 is:

$$= \frac{\$3,100 - \$100}{15} = \$200$$

Dynamic Traders

Income Statement (extract)

for the year ended 30 June 2020

Less Other Expenses

Selling and Distribution Expenses

Depreciation of Delivery Vehicle	4,500
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General and Administration Expenses

Depreciation of Office Furniture	200
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