Depreciation calculations and ledger – click on video link to watch video:

<https://www.loom.com/share/8b5a2a38da884d408ecad1916523b87d?sid=f6856a38-c18a-440b-a0b8-afbe7164d84e>

On 1 September 2026 Greedy Grocer, purchased plant and equipment for $22 000 GST inclusive (cash)

The Plant is expected to have a residual value of $5400 and a useful life of 7 years. It is depreciated using the straight line method. The plant and equipment was sold on 31st October 2027 $16 500 GST inclusive (cash)

1. Show calculation of Depreciation Expense for the Plant and Equipment for balance day 2026 and 2027.
2. Prepare the following ledger accounts **from the date of purchase** to the date of sale – 31st October 2027.

* Plant and equipment
* Accumulated depreciation
* Deprectiation Expense (July 1 – Oct 31 2027 ONLY)
* Sale of asset
* Gain/Loss on Sale of Asset
* Profit and Loss
* GST payable
* GST credit
* Cash at bank

**GENERAL LEDGER**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Plant and Equipment** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Accumulated Depreciation** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Depreciation** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Sale of Plant and Equipment** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Loss on Sale of Assets** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Profit and Loss - extract** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **GST credit** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **GST payable** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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| **Cash at bank** | | | | | |
| **Date** | **Cross Ref** | **$$** | **Date** | **Cross Ref** | **$$** |
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