

3 King provided the following information for non-current assets at 1 April 2015.

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Property plant and machinery	
Land and buildings – cost	252 000
Plant and machinery – cost	123 000
Accumulated depreciation	
Buildings	21 000
Plant and machinery	49 000

During the year ended 31 March 2016, the following took place:

- 1 Land was revalued to \$202 500. It had originally cost \$182 000.
- 2 A machine was sold on 30 November 2015. It had a net book value on 1 April 2015 of \$46 350 and an original cost of \$76 200.
- 3 A machine was purchased on 1 December 2015 at a cost of \$62 850.

The depreciation policy for non-current assets is as follows:

- Buildings 2% per annum using the straight-line method
- Plant and machinery 20% per annum using the reducing balance method

Depreciation is charged on a month-by-month basis.

**REQUIRED**

(a) Calculate the **total** depreciation charge for buildings for the year ended 31 March 2016.

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..... [1]

(b) Calculate the **total** depreciation charge for plant and machinery for the year ended 31 March 2016.

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..... [3]

- (c) Prepare an extract from the statement of financial position at 31 March 2016 for non-current assets.

King  
Extract from Statement of Financial Position at 31 March 2016

[illegible]

Workings: .....

[8]

(d) State **three** causes of depreciation.

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[3]