Network address = 192.168.40.0

Number of subnets = 2

2 ^ n = 2

N = 1

* Only 1 bit borrowed

First subnet:

Subnet mask: 255.255.255.128

Network ID: 192.168.40.0

Range of hosts: 192.168.40.1-192.168.40.126

Broadcast ID: 192.168.40.127

Second subnet:

Subnet mask: 255.255.255.128

Network ID: 192.168.40.128

Range of hosts: 192.168.40.129-192.168.40.254

Broadcast ID: 192.168.40.255