

**Solution:**

<b>DEPRECIATION SCHEDULE OF THE SAW (in \$)</b>		
<b>Name: Port Townsend Cedar Co.</b>		
<b>Particulars</b>	Depreciation Calculated Using	
	<b>Straight Line</b>	<b>DDB</b>
<b>Initial Cost</b>	34,000	34,000
<b>Depreciation Year:</b>		
<b>Year 1</b>	6,400	13,600.00
<b>Year 2</b>	6,400	8,160.00
<b>Year 3</b>	6,400	4,896.00
<b>Year 4</b>	6,400	2,937.60
<b>Year 5</b>	6,400	1,762.56
<b>Total Accumulated Depreciation</b>	32,000	31,356.16
<b>Net Cost after 5 years</b>	2,000	2,643.84

From the above table, the one that offers higher depreciation should be the one that is beneficial from tax point of view.

Thus, they can use DDB if they want to save taxes for first two years and thrive the business.

Otherwise, use straight line to save taxes for cumulative benefits.