

✔ **Congratulations! You passed!**Grade received **100%** To pass **80%** or higher[Go to next item](#)

1. An asset worth \$10,000 is depreciated over 4 years using the **Sum of Years Digits** method, with no salvage value. What is the amount of depreciation in the first year?

1 / 1 point

- ☐ \$5,000
- ☐ \$2,500
- ☒ \$4,000
- ☐ \$3,000

✔ **Correct**

Yes, this is correct. Since the sum of the numbers from 1 to 4 is 10, the first year's depreciation will be $4/10 = 40\%$ of the original value.

2. Which of the three functions (**SLN**, **SYD**, **DDB**) only requires 3 arguments?

1 / 1 point

- ☐ They all require 4 or more arguments.
- ☐ SYD

- ☒ SLN
- ☐ DDB

✔ **Correct**

Yes, this is correct. All three functions require arguments for **Cost**, **Salvage**, and **Life**, but the **SLN** function does not require an argument for the **period number** since the calculated amount is constant for all periods.

3. An asset with a salvage value of \$1000 is depreciated using the **DDB** function. If the **DDB** function returns a value of zero for a specified period number, what does this mean?

1 / 1 point

- ☐ The period number is larger than the specified life of the asset.
- ☐ The period number is equal to the specified life of the asset.
- ☐ That the original cost input for the asset was also \$1000.
- ☒ Depreciation from past periods has already brought the asset value down to the salvage value, so there can be no more depreciation.

✔ **Correct**

Yes, this is correct. Once cumulative depreciation from past periods has brought the asset value down to the salvage value, the **DDB** function will return 0 for any remaining periods in the asset life.