MATH 132M Business Math **Excel Lab Activity: Depreciation Schedule**

	Declining Method		Double Declining Method	
Year	Depreciation Amount	Book Value (BV)	Depreciation Amount	Book Value (BV)
0	$\boldsymbol{BV \div N}$	Cost = 29,000.00	$\boldsymbol{2 \times BV \div N}$	Cost = 29,000.00
1	3,625.00	25,375.00	7,250.00	21,750.00
2	3,171.88		5,437.50	
3				
4				
5				
6				
7				
8				

The numbers you see here are for example only. Your task is to research the cost of a used delivery/cargo van with less than 30K miles and 2021 or later model year!

	Straight-line Method			Sum-of-Digits Method	
$\boldsymbol{OC - SV = 29,000 - 2,900 = 26,100}$				$\boldsymbol{\Sigma = 8 \times 9 \div 2 = 36}$	
Year	Depreciation Amount	Book Value (BV)	**X**	Depreciation Amount	Book Value (BV)
0	$\boldsymbol{(OC - SV) \div N}$	Cost = 29,000.00		$\boldsymbol{(OC - SV) \times X \div \Sigma}$	Cost = 29,000.00
1	3,262.50	25,737.50	8	5,800.00	23,200.00
2	3,262.50	22,475.00	7	5,075.00	18,125.00
3			6	4,350.00	
4			5	3,625.00	
5			4		
6			3		
7			2		
8			1		

For your study, please read the entire article titled *Depreciation: Definition and Types, With Calculation Examples*[1] https://www.investopedia.com/terms/d/depreciation.asp

The schedules seen here are the examples that we did in class. Your lab activity is to create each of these 4 schedules in a spreadsheet using the purchase price of a gently used cargo/delivery van. Assume you will be ***depreciating the value for 5 years***. You will need to ***estimate the salvage value*** of the van 5 years from now. Assume local driving only @ about 15,000 miles each year driven.

[1] Tuovila, Alicia. "Depreciation: Definition and Types, With Calculation Examples." *Corporate Finance: Accounting*, Investopedia, 31 October 2023, https://www.investopedia.com/terms/d/depreciation.asp