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

**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!**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Declining Method** | | **Double Declining Method** | |
| Year | Depreciation Amount | Book Value (BV) | Depreciation Amount | Book Value (BV) |
| 0 |  | Cost = 29,000.00 |  | 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 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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Straight-line Method** | |  | **Sum-of-Digits Method** | |
|  | | |  |  | |
| Year | Depreciation Amount | Book Value (BV) | **X** | Depreciation Amount | Book Value (BV) |
| 0 |  | Cost = 29,000.00 |  |  | 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 |  |  |

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> [↑](#footnote-ref-1)