Advanced Ones - 3

item = Comp
cost = 1500
life = 5
Method = 1 / 2

Method 1

Year	Book val (Cost)	dep = rate * cost	End
0	1500	0.00	1500
1	1500	300	1200
2	1200	300	900
3	900	300	600
4	600	300	300
5	300	300	0

Base condition { if year = 0

rate = 1/life = 0.2
dep = rate * cost = 300

Method 2

Year	Book Val. (Cost)	dep = rate * Book Val.	End
0	1500	0.00	1500
1	1500	600.00	900
2	900	360.00	540
3	540	216.00	324
4	324	129.60	194.40
5	194.40	194.40	0

Last year is not 40%
it is last year's ending val.

Method 1 :→ depreciation(item name, Cost, life, 1)

1) Book val = Cost = 1500 → Same

2) If method == 1 : (True) → rate = 2/life = 0.4
rate = 1/life = 0.2

3) for year in loop till (life + 1) → Same
if method == 1:
#first check for method = 1
If year = 0 : (for the initial check)
dep = 0
else: (for all the rest years)
dep = 0.2 * Cost = 300 (same

If method == 2:
- year = 0 → dep = 0
- rest of the years → dep = 0.4 * Book val
- Last year → dep = last year ending Balance

for year = 0

For year = 0, dep = 0

Beg_val = Cost = 1500, end val = Beg_val − dep

end val = 1500 − 0 = 1500

(for all yrs)

Now assign the end value to beg_val & continue?

book_val = end_val

dep = 0

Book_val = 1500 = Cost

end_val = Book_val − dep = 1500 − 0

→ same

Book_val = end_val

for year = 1

dep = 0.4 * Book_val = 600

end_val = Book_val − dep = 1500 − 600 = 900

Beg_val = end_val = 900

So for the next year the depreciation is Calculated on 900.

for year = 5

dep = Book_val (which is nothing but last year end_value) = 194.0

end_val = Book_val − dep = 0

Book_val = end_val = 0

end of loop for Method 2.