


P7-2 Compare three depreciation methods

Bayside Coatings Company purchased waterproofing equipment on January 2, 20Y4, for \$190,000. The equipment was expected to have a useful life of four years and a residual value of \$9,000.

Instructions

Determine the amount of depreciation expense for the years ended December 31, 20Y4, 20Y5, 20Y6, and 20Y7, by (a) the straight-line method and (b) the double-declining-balance method. Also determine the total depreciation expense for the four years by each method. The following columnar headings are suggested for recording the depreciation expense amounts:

Year	Depreciation Expense	
	Straight-Line Method	Double-Declining-Balance Method

Note: The spreadsheet icon  indicates an Excel template is available on the student companion site.