Disposal

ABC Company sold a piece of machinery and needs to record the disposal. Here are the details:

Original Cost:	$	120,000
Sales Price:	$	70,000

Scenario 1: A/D = $50,000			
Cost	$ 120,000		
A/D	$ 50,000		
Book Value	$ 70,000		
Cash		$ 70,000	
A/D		$ 50,000	
Equipment			$ 120,000

Scenario 2: A/D = $75,000			
Cost	$ 120,000		
A/D	$ 75,000		
Book Value	$ 45,000		
Cash		$ 70,000	
A/D		$ 75,000	
Equipment			$ 120,000
Gain on Disposal			$ 25,000

Scenario 3: A/D =$30,000			
Cost	$ 120,000		
A/D	$ 30,000		
Book Value	$ 90,000		
Cash		$ 70,000	
Loss on Disposal		$ 20,000	
A/D		$ 30,000	
Equipment			$ 120,000