

Depreciation

ABC Company purchased a piece of machinery and needs to calculate depreciation. Here are the details:

Cost: \$	125,000
Estimated Life (years):	4
Estimated Life (hours):	22,000
Salvage Value: \$	15,000
Year 1 Est Usage	8,000
Year 2 Est Usage	7,000
Year 3 Est Usage	4,500
Year 4 Est Usage	2,500