Depreciation Make-Up Quiz 4 Good Luck To

Lakeshore Transportation purchased a bus. Information about the bus is listed below:

Cost Salvage Value Useful Life

$80,000 $8,000 5 years

The bus is expected to be driven a total of 120,000 miles. Actual miles of use in the first 3 years were

Year 1 24,000

Year 2 34,000

Year 3 30,000

1. Calculate depreciation expense under year 2 with the three methods listed below:
	1. Straight line:
	2. Units of Production:
	3. Double Declining Balance:
2. What is the book value of the bus after year 2 under the straight line method?
3. What is the accumulated depreciation for the bus after year 2 under the units of production method?