

Interest and Depreciation

Straight Line Depreciation

A car purchased for \$15 570 depreciates \$3120 each year. According to the straight-line method of depreciation, after how many years is the car worthless?

A commercial dishwasher was purchased for \$6200. It depreciates at \$950 per year. Its scrap value is \$500. Calculate the dishwasher's useable life.

A motorcycle purchased for \$22 880 depreciates \$3200 each year. After how many years is the motorcycle worthless?

Calculate the usable life of a washing machine purchased for \$4800, depreciating at \$575 per year with a scrap value of \$1350.

A car purchased for \$26 990 depreciates \$3300 per year. Complete the following to calculate its book value:

a after 2 years

$$S = V_0 - Dn$$

$$= \$26\,990 - \$___ \times 2$$

$$= \$___$$

b after 4 years.

$$S = V_0 - Dn$$

$$= \$___ - \$___ \times ___$$

$$= \$___$$

A car purchased for \$18 700 depreciates \$1980 per year. Calculate its book value after:

a 2 years

b 5 years.