

Computerised Accounting Practical

Model # E002

Project No:

Title : **Depreciation-Stright Line Method - 2**

Question

XYZ Ltd. purchased a Furniture on 01/01/2017 for Rs. 400000 and spend Rs.20000 for the installation. The expected salvage value is Rs. 15000, at the end of its useful life of 10 years. Calculate annual depreciation under SLN method using spreadsheet.

Procedure

Step-1 : Open a blank worksheet in Libre Office Calc

Step-2 : Enter the table headings in different cells as given below:

A1	Purchase Cost
A2	Installation Cost
A3	Total Cost
A4	Salvage Value
A5	Life in Years
A6	Annual Depreciation

Step-3 : In the cell B1, enter '400000' as cost of furniture

Step-4 : In the cell B2, enter '20000' as Installation Cost

Step-5 : In the cell B3, enter the formula **=B1+B2** to calculate the total cost

Step-6 : In the cell B4, enter '15000' as Salvage Value

Step-7 : In the cell B5, enter '10' as life of the furniture

Step-8 : In the cell B6, enter the following formula to calculate Depreciation under Straight Line Method

=SLN(B3,B4,B5)

Output

	A	B
1	Purchase Cost	400000
2	Installation Cost	20000
3	Total Cost	420000
4	Salvage Value	15000
5	Life in Years	10
6	Annual Depreciation	₹40,500.00