

### **Depreciation Homework #3**

On March 1<sup>st</sup>/2023, Mr. Singh bought a Lamborghini Huracan for \$250 000 with a residual value of \$10 000, useful life of 30 years at 200 000km. In 2023, he drove a total of 30 000km.

1. Calculate the depreciation for 2023 using:

- (a) Straight Line Method
- (b) 20% Declining Balance
- (c) Units of activity

2. On Jan 2<sup>nd</sup>, 2021 Mr. Singh but a Tesla Model S for \$78 000. The vehicle is being amortized by the straight line method using a four year service life and a \$4000 residual value.

Provide journal entries for the following scenarios:

- (a) On Jan 2<sup>nd</sup> 2024, Mr. Singh disposed of the Tesla
- (b) On July 1<sup>st</sup> 2024, Mr. Singh sold the Tesla for \$15 000