

CNC Example 2 (DDB Depreciation)



In 2004, Acme Products, Inc. purchased a CNC horizontal boring mill for \$130,000. They spent \$10,000 more to install it and calibrate it. In 2005 it was put into service. Acme assigned a 10-year service life to the mill and estimated a \$7000 salvage value. Calculate the annual depreciation amount and book value through 2007 using double-declining-balance depreciation.