Guided Practice Worksheet

If you have an asset (car) worth $10,000, and the salvage value is $500:

Calculate the Rate:

> Declining Balance Rate = (100% / # of years) X 2
>
> So a useful life of **10** years:
>
> (100/10years) • 2=20%

Calculate depreciation and book value for five years:

Year	Rate	Depreciation	Book Value
1	20%		
2	20%		
3	20%		
4	20%		
5	20%		