

# Depreciation Calculations























The HP-12C enables you to calculate depreciation and the remaining depreciable value (book value minus salvage value) using the straight-line, sum-of-the-years-digits, and declining-balance methods. To do so with any of these methods:

1) Enter the original cost of the asset, using <b>PV</b> .
2) Enter the salvage value of the asset, using <b>FV</b> . If the salvage value is 0, enter 0 <b>FV</b> .
3) Enter the expected useful life of the asset (in years), using <b>n</b> .
4) If the declining-balance method is being used, enter the declining-balance factor (as a percentage), using <b>i</b> . For example, 1.25 times the straight-line rate — 125 percent declining-balance — would be entered as 125 <b>i</b> .
5) Key in the number of the year for which depreciation is to be calculated.
6) Press de desire depreciation method: <b>f</b> <b>SL</b> -> For depreciation using the Straight-Line method. <b>f</b> <b>SOYD</b> -> For depreciation using the Sum-of-the-Years method. <b>f</b> <b>DB</b> -> For depreciation using the Declining-Balance method.

The amount of the depreciation is shown in the display and also the remaining depreciable value (book value minus salvage value) is held in the stack-Y: to display it, press **x<y**.

## **Example : Depreciation Methods**

An asset purchased in \$10,000, is depreciated over 5 years. Its salvage value is \$500. Find the depreciation and remaining value for the first 2 years. In the DB method use a declining factor of 200.

Keystrokes	Description
Type "10000" 	Type the original cost and press "PV".
Type "500" 	Type the salvage value and press "FV".
Type "5" 	Type the expected life of the asset and press "n".
Type "200" 	Type the Declining-Balance factor and press "i" (DB method only).
Type "1"  	Calculates depreciation of year 1 with straight-line method. <b>Result = 1,900.00</b>
	Shows the remaining depreciable value after year 1. <b>Result = 7,600.00</b>
Type "2"  	Calculates depreciation of year 2 with straight-line method. <b>Result = 1,900.00</b>
	Shows the remaining depreciable value after year 2. <b>Result = 5,700.00</b>
Type "1"  	Calculates depreciation of year 1 with sum-of-the-years method. <b>Result = 3,1667.70</b>
	Shows the remaining depreciable value after year 1. <b>Result = 6,333.30</b>
Type "2"  	Calculates depreciation of year 2 with sum-of-the-years method. <b>Result = 2,533.33</b>
	Shows the remaining depreciable value after year 2. <b>Result = 3,800.00</b>
Type "1"  	Calculates depreciation of year 1 with declining-balance method. <b>Result = 4,000.00</b>
	Shows the remaining depreciable value after year 1. <b>Result = 5,500.00</b>
Type "2"  	Calculates depreciation of year 2 with declining-balance method. <b>Result = 2,400.00</b>
	Shows the remaining depreciable value after year 2. <b>Result = 3,100.00</b>