

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

The amount of the depreciation is shown in the display. 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 for \$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" [PV]	Type the original cost and press "PV".
Type "500" [FV]	Type the salvage value and press "FV".

Keystrokes	Description
Type "5" [n]	Type the expected life of the asset and press "n".
Type "200" [i]	Type the Declining-Balance factor and press "i" (DB method only).
Type "1" [f] [SL]	Calculates depreciation of year 1 with straight-line method. Result = 1,900.00
[X⇌Y]	Shows the remaining depreciable value after year 1. Result = 7,600.00
Type "2" [f] [SL]	Calculates depreciation of year 2 with straight-line method. Result = 1,900.00
[X⇌Y]	Shows the remaining depreciable value after year 2. Result = 5,700.00
Type "1" [f] [SOYD]	Calculates depreciation of year 1 with sum-of-the-years method. Result = 3,166.67
[X⇌Y]	Shows the remaining depreciable value after year 1. Result = 6,333.33
Type "2" [f] [SOYD]	Calculates depreciation of year 2 with sum-of-the-years method. Result = 2,533.33
[X⇌Y]	Shows the remaining depreciable value after year 2. Result = 3,800.00
Type "1" [f] [DB]	Calculates depreciation of year 1 with declining-balance method. Result = 4,000.00
[X⇌Y]	Shows the remaining depreciable value after year 1. Result = 5,500.00
Type "2" [f] [DB]	Calculates depreciation of year 2 with declining-balance method. Result = 2,400.00
[X⇌Y]	Shows the remaining depreciable value after year 2. Result = 3,100.00

As a special feature, the RLM's 12C "Pro" versions have an additional tool to calculate the entire depreciation table at once. To show it, press the **OPT** key, touch the "Finance" menu button and select the "[Depreciation Table](#)" option.