Journalizing Depreciation

Record the adjusting journal entries for the following depreciation problems.

DEFERRED EXPENSE: Depreciation on a Vehicle

On January 1, A1 Taxi purchased a $24,000 vehicle using a loan. The vehicle has an estimated useful life of 5 years (60 months). Record the depreciation expense for January. *Hint: debit "Depreciation Expense" and credit "Accumulated Depreciation – Vehicle".*

Jan	1	Vehicle		24	0	0	0	00						
		Loan							24	0	0	0	00	
Jan	31													

DEFERRED EXPENSE: Depreciation on Equipment

On February 1, XYZ purchased $12,000 of equipment for cash. The equipment has an estimated useful life of 12 months. Record the depreciation expense for February.

Feb	1	Equipment		12	0	0	0	00						
		Cash							12	0	0	0	00	
Feb	28													

DEFERRED EXPENSE: Depreciation on a Building

On May 1, ABC purchased a building for $84,000, all borrowed through a mortgage. The building has an estimated useful life of 10 years (120 months). Record the depreciation expense for May.

May	1	Building		84	0	0	0	00						
		Mortgage							84	0	0	0	00	
May	31													

DEFERRED EXPENSE: Depreciation with a Salvage Value

On August 1, Z Best Store purchased $38,000 of equipment for cash. The equipment has an estimated useful life of 3 years (36 months) and a salvage value of $2,000. Record the depreciation expense for August. *Hint: subtract the salvage value of the equipment first, then divide by 36.*

Aug	1	Equipment		38	0	0	0	00						
		Cash							38	0	0	0	00	
Aug	31													