

MACRS is known as

Formulas for MACRS are shown below:



MACRS is known as the modified accelerated cost recovery system.

$$\text{Annual Depreciation} = \text{Fixed Percent} \times \text{Original Cost}$$

$$\text{Book Value} = \text{Original Cost} - \text{Accumulated Depreciation}$$

The local Evtl Emporium purchased a press for \$12,337.74. The table below shows how the press will depreciate using MACRS. What is the book value of the press at the end of year five? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	22%	\$2,714.30	\$2,714.30	
2	33	4,071.45	6,785.75	
3	16	1,974.04	8,759.79	
4	9	1,110.40	9,870.19	
5	7	863.64	10,733.83	
6	13	1,603.91	12,337.74	



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$$\text{Book Value} = \text{Original Cost} - \text{Accumulated Depreciation}$$

The local Get'n Grab purchased a test machine for \$11,014.27. The table below shows how the test machine will depreciate using MACRS. What is the book value of the test machine at the end of year one? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	21%	\$2,313.00	\$2,313.00	
2	31	3,414.42	5,727.42	
3	15	1,652.14	7,379.56	
4	11	1,211.57	8,591.13	
5	7	771.00	9,362.13	
6	15	1,652.14	11,014.27	

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**Annual Depreciation = Fixed Percent x Original Cost**

**Book Value = Original Cost - Accumulated Depreciation**

The local Shop-2-Save purchased a compressor for \$13,265.92. The table below shows how the compressor will depreciate using MACRS. What is the book value of the compressor at the end of year five? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	21%	\$2,785.84	\$2,785.84	
2	32	4,245.09	7,030.93	
3	15	1,989.89	9,020.82	
4	11	1,459.25	10,480.07	
5	8	1,061.27	11,541.34	
6	13	1,724.58	13,265.92	

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**Book Value = Original Cost - Accumulated Depreciation**

The local Megalo-Rama purchased a compressor for \$14,360.70. The table below shows how the compressor will depreciate using MACRS. What is the book value of the compressor at the end of year one? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	22%	\$3,159.35	\$3,159.35	
2	34	4,882.64	8,041.99	
3	14	2,010.50	10,052.49	
4	9	1,292.46	11,344.95	
5	8	1,148.86	12,493.81	
6	13	1,866.89	14,360.70	

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**Annual Depreciation = Fixed Percent x Original Cost**

**Book Value = Original Cost - Accumulated Depreciation**

The local Get'n Grab purchased a lift for \$12,090.55. The table below shows how the lift will depreciate using MACRS. What is the book value of the lift at the end of year five? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	22%	\$2,659.92	\$2,659.92	
2	30	3,627.17	6,287.09	
3	15	1,813.58	8,100.67	
4	10	1,209.06	9,309.73	
5	7	846.34	10,156.07	
6	16	1,934.48	12,090.55	

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**Annual Depreciation = Fixed Percent x Original Cost**

**Book Value = Original Cost - Accumulated Depreciation**

The local Shop-2-Save purchased a press for \$18,560.96. The table below shows how the press will depreciate using MACRS. What is the book value of the press at the end of year three? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	22%	\$4,083.41	\$4,083.41	
2	35	6,496.34	10,579.75	
3	16	2,969.75	13,549.50	
4	10	1,856.10	15,405.60	
5	8	1,484.88	16,890.48	
6	9	1,670.48	18,560.96	