Name: _____ Class: _____ Date: _____ ID: A

MACRS

Numeric Response

1. MACRS is known as the modified accelerated cost recovery system.

   Annual Depreciation = Fixed Percent x Original Cost

   Book Value = Original Cost - Accumulated Depreciation

   The local Megalo-Rama purchased a lift for $18,090.58. The table below shows how the lift will depreciate using MACRS. What is the book value of the lift at the end of year four? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	20%	$3,618.12	$3,618.12	
2	32	5,788.99	9,407.11	
3	14	2,532.68	11,939.79	
4	11	1,989.96	13,929.75	
5	9	1,628.15	15,557.90	
6	14	2,532.68	18,090.58	

2. MACRS is known as the modified accelerated cost recovery system.

Annual Depreciation = Fixed Percent x Original Cost

Book Value = Original Cost - Accumulated Depreciation

The local Evil Emporium purchased a compressor for $12,304.32. The table below shows how the compressor will depreciate using MACRS. What is the book value of the compressor at the end of year two? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	18%	$2,214.78	$2,214.78	
2	32	3,937.38	6,152.16	
3	16	1,968.69	8,120.85	
4	10	1,230.43	9,351.28	
5	7	861.30	10,212.58	
6	17	2,091.74	12,304.32	

3. MACRS is known as the modified accelerated cost recovery system.

Annual Depreciation = Fixed Percent x Original Cost

Book Value = Original Cost - Accumulated Depreciation

The local Shop-2-Save purchased a power converter for $12,342.82. The table below shows how the power converter will depreciate using MACRS. What is the book value of the power converter 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	20%	$2,468.56	$2,468.56	
2	35	4,319.99	6,788.55	
3	16	1,974.85	8,763.40	
4	10	1,234.28	9,997.68	
5	7	864.00	10,861.68	
6	12	1,481.14	12,342.82	

4. MACRS is known as the modified accelerated cost recovery system.

   Annual Depreciation = Fixed Percent x Original Cost

   Book Value = Original Cost - Accumulated Depreciation

   The local Megalo-Rama purchased a lift for $17,049.12. The table below shows how the lift will depreciate using MACRS. What is the book value of the lift 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	19%	$3,239.33	$3,239.33	
2	33	5,626.21	8,865.54	
3	14	2,386.88	11,252.42	
4	10	1,704.91	12,957.33	
5	7	1,193.44	14,150.77	
6	17	2,898.35	17,049.12	

5. MACRS is known as the modified accelerated cost recovery system.

   Annual Depreciation = Fixed Percent x Original Cost

   Book Value = Original Cost - Accumulated Depreciation

   The local Megalo-Rama purchased a test machine for $18,636.78. 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 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%	$4,100.09	$4,100.09	
2	30	5,591.03	9,691.12	
3	16	2,981.88	12,673.00	
4	9	1,677.31	14,350.31	
5	9	1,677.31	16,027.62	
6	14	2,609.16	18,636.78	

6. MACRS is known as the modified accelerated cost recovery system.

Annual Depreciation = Fixed Percent x Original Cost

Book Value = Original Cost - Accumulated Depreciation

The local Shop-2-Save purchased a lift for $16,017.29. The table below shows how the lift will depreciate using MACRS. What is the book value of the lift 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%	$3,523.80	$3,523.80	
2	34	5,445.88	8,969.68	
3	14	2,242.42	11,212.10	
4	11	1,761.90	12,974.00	
5	8	1,281.38	14,255.38	
6	11	1,761.91	16,017.29	

7. MACRS is known as the modified accelerated cost recovery system.

Annual Depreciation = Fixed Percent x Original Cost

Book Value = Original Cost - Accumulated Depreciation

The local Shop-2-Save purchased a power converter for $17,404.72. The table below shows how the power converter will depreciate using MACRS. What is the book value of the power converter at the end of year four? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	20%	$3,480.94	$3,480.94	
2	31	5,395.46	8,876.40	
3	15	2,610.71	11,487.11	
4	11	1,914.52	13,401.63	
5	9	1,566.42	14,968.05	
6	14	2,436.67	17,404.72	

8. MACRS is known as the modified accelerated cost recovery system.

Annual Depreciation = Fixed Percent x Original Cost

Book Value = Original Cost - Accumulated Depreciation

The local Shop-2-Save purchased a press for $17,143.80. The table below shows how the press will depreciate using MACRS. What is the book value of the press 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	19%	$3,257.32	$3,257.32	
2	33	5,657.45	8,914.77	
3	16	2,743.01	11,657.78	
4	9	1,542.94	13,200.72	
5	7	1,200.07	14,400.79	
6	16	2,743.01	17,143.80	

MACRS
Answer Section

NUMERIC RESPONSE

1. ANS: 4,160.83

   PTS: 1
2. ANS: 6,152.16

   PTS: 1
3. ANS: 9,874.26

   PTS: 1
4. ANS: 13,809.79

   PTS: 1
5. ANS: 5,963.78

   PTS: 1
6. ANS: 12,493.49

   PTS: 1
7. ANS: 4,003.09

   PTS: 1
8. ANS: 13,886.48

   PTS: 1