

**MACRS****Numeric Response**

1. 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 Evil Emporium purchased a electric drive for \$16,779.73. The table below shows how the electric drive will depreciate using MACRS. What is the book value of the electric drive 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	21%	\$3,523.74	\$3,523.74	
2	30	5,033.92	8,557.66	
3	14	2,349.16	10,906.82	
4	10	1,677.97	12,584.79	
5	9	1,510.18	14,094.97	
6	16	2,684.76	16,779.73	

2. 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 Get'n Grab purchased a compressor for \$17,266.09. 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%	\$3,625.88	\$3,625.88	
2	29	5,007.17	8,633.05	
3	14	2,417.25	11,050.30	
4	11	1,899.27	12,949.57	
5	7	1,208.63	14,158.20	
6	18	3,107.89	17,266.09	

3. 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 Big Bargain Box purchased a press for \$19,036.95. 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%	\$4,188.13	\$4,188.13	
2	28	5,330.35	9,518.48	
3	16	3,045.91	12,564.39	
4	9	1,713.33	14,277.72	
5	7	1,332.59	15,610.31	
6	18	3,426.64	19,036.95	

4. 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 Big Bargain Box purchased a lift for \$10,710.33. The table below shows how the lift will depreciate using MACRS. What is the book value of the lift 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%	\$2,356.27	\$2,356.27	
2	32	3,427.31	5,783.58	
3	16	1,713.65	7,497.23	
4	9	963.93	8,461.16	
5	7	749.72	9,210.88	
6	14	1,499.45	10,710.33	

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

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The local Kart King purchased a test machine for \$14,919.86. 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 five? Express your answer as a dollar amount to the nearest cent.

End of Year	Percent Depreciation	Annual Depreciation	Accumulated Depreciation	Book Value
1	19%	\$2,834.77	\$2,834.77	
2	35	5,221.95	8,056.72	
3	15	2,237.98	10,294.70	
4	10	1,491.99	11,786.69	
5	8	1,193.59	12,980.28	
6	13	1,939.58	14,919.86	

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

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

The local Evil Emporium purchased a electric drive for \$15,862.22. The table below shows how the electric drive will depreciate using MACRS. What is the book value of the electric drive 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	18%	\$2,855.20	\$2,855.20	
2	34	5,393.15	8,248.35	
3	15	2,379.33	10,627.68	
4	10	1,586.22	12,213.90	
5	8	1,268.98	13,482.88	
6	15	2,379.34	15,862.22	

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The local Big Bargain Box purchased a power converter for \$12,860.54. 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	18%	\$2,314.90	\$2,314.90	
2	29	3,729.56	6,044.46	
3	16	2,057.69	8,102.15	
4	11	1,414.66	9,516.81	
5	7	900.24	10,417.05	
6	19	2,443.49	12,860.54	

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

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The local Megalo-Rama purchased a compressor for \$15,007.76. 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	18%	\$2,701.40	\$2,701.40	
2	33	4,952.56	7,653.96	
3	16	2,401.24	10,055.20	
4	10	1,500.78	11,555.98	
5	9	1,350.70	12,906.68	
6	14	2,101.08	15,007.76	

**MACRS**  
**Answer Section****NUMERIC RESPONSE**

1. ANS: 5,872.91

PTS: 1

2. ANS: 3,107.89

PTS: 1

3. ANS: 6,472.56

PTS: 1

4. ANS: 3,213.10

PTS: 1

5. ANS: 1,939.58

PTS: 1

6. ANS: 3,648.32

PTS: 1

7. ANS: 10,545.64

PTS: 1

8. ANS: 12,306.36

PTS: 1