Quick Questions On Revising Depreciation, Ordinary Repairs, And Betterments

The LMN Company had the following independent transaction related to a four-year-old machine costing \$46,000. The machine originally had a useful life of eight years and residual value of \$6,000. Assuming the straight-line depreciation, answer the following:

A. The machine has been wearing very well and is expected to last an additional two years and have \$2,000 of additional residual value. Depreciation per year would be:

B. The Company made a capital investment in the machine of \$10,000 which will add four years to its useful life. Make the entry to record the investment and calculate next year's depreciation.

DATE	ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT	
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C. Assume that question B had not extended the useful life but had made the machine more efficient. Make the entry to record the investment and calculate next year's depreciation.

DATE	ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT		CREDIT	