

B-10.09

On January 1, 20X4, Simmons Spring Corporation purchased a metal press for \$1,250,000. This machine has a service life of 5 years, at which time it is expected that the device will be disposed of for a \$200,000 salvage value.

Simmons uses the sum-of-the-years'-digits depreciation method.

- (a) Prepare a schedule showing annual depreciation expense, accumulated depreciation, and related calculations for each year.
- (b) Show how the asset and related accumulated depreciation would appear on a balance sheet at December 31, 20X5.
- (c) Prepare journal entries to record the asset's acquisition, annual depreciation for each year, and the asset's eventual sale for \$200,000.