

I-10.05

Dr. Matt Brown purchased a new X-ray machine for his dental practice. The machine cost \$275,000, and has a \$10,000 salvage value after 7 years.

As shown in the text, spreadsheet software packages, like Microsoft Excel, include built in functions to calculate depreciation. Use these routines to calculate depreciation for Dr. Brown's x-ray machine for the third year of use. Try this problem with the straight-line (SLN), double-declining balance (DDB), and sum-of-the-years' digits (SYD) techniques. The functions are usually accessed via a toolbar pick list (Σ) or from the *Insert/Function* operation. Once you know the correct way to structure a function, a quick shortcut is to simply key in the formula (e.g., $SLN(100,10,4)$ is the straight-line formula for a \$100 asset having a \$10 salvage value and 4 year life).

You should print out two copies of your answer; one with the "values" and the other showing the "formulas." Oftentimes, you will want to view all the formulas used in a worksheet. To toggle between showing formulas and values, simply press "CTRL + ` " (grave accent).

