

I-11.03

Cousin's Bar-B-Q Restaurant recently remodeled its store. The remodel included obtaining all new kitchen equipment. Much of the older equipment was traded-in as partial consideration toward the purchase of the newer items. Examine each of the following exchanges, and prepare appropriate entries to reflect the trade. Each exchange was deemed to have commercial substance, except for the trade relating to the smoker oven.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cash Given or (Received)</u>	<u>Fair Value of New Item</u>
Sink	\$ 10,000	\$ 6,500	\$ -	\$ 5,000
Cutting table	20,000	8,000	-	10,000
Refrigerator	12,000	10,000	15,000	20,000
Freezer	18,000	4,000	11,000	17,000
Computer	7,500	6,000	(1,000)	5,000
Fire suppressor	9,000	2,000	(2,000)	3,000
Smoker oven	12,500	2,500	-	13,000