Wasson Farming Corporation owned many tractors. The company has usually contracted with a trucking company to haul the tractors to the tractor dealership for repairs. With the aging of the tractors, the company is incurring substantial hauling costs because of the increasing frequency of repairs. The company is considering trading a tractor for a trailer, thereby enabling it to haul tractors without having to hire a trucking company. This exchange transaction would significantly improve the company's cash flow and does have "commercial substance."

The trailer that will be acquired in the exchange has a fair value of $35,000. Wasson owns two tractors that are currently valued at $35,000. One of these two tractors will be exchanged (and no boot will be involved). The owner of Wasson Farming is deciding which tractor to give up, and is interested in learning about the financial statement impact of the exchange. Prepare alternative journal entries, assuming an exchange of Tractor A versus Tractor B. Facts about each tractor follow:

- Tractor A  Cost, $100,000; accumulated depreciation $80,000
- Tractor B  Cost, $75,000; accumulated depreciation $25,000