10 Financial position and depreciation – Part 2 — Answers

Answers

Work through these after trying the questions yourself.

10.6 What the business owns and owes on one day.
10.7 Assets = liabilities + equity.
10.8 Assets.
10.9 Spreading the cost of a non-current asset over the years it is used.
10.10 £2,000 each year.

10.11 Yearly depreciation $= 15\,000 \div 5 = £3\,000$. After 2 years it has lost $2 \times 3\,000 = £6\,000$, so its value is $15\,000 - 6\,000 = £9\,000$.