BALANCE SHEET EQUATIONS

Depreciation Expense (Straight-Line Method) = Acquisition Cost - Salvage Value

Depreciation (Declining Balance Method) = (Cost - Accumulated Depreciation) \times \text{Depreciation Rate}

\text{Straight-Line Depreciation Rate} = \frac{1}{\text{Estimated Useful Life}}

\text{Sum-of-the-Years' Digit Method:}

\text{Depreciation Expense} = (\text{Cost} - \text{Salvage Value}) \times \text{Fraction}

\text{Fraction for x year} = \frac{n}{(1+2+3+\ldots+n)}

\text{Fraction for the last year} = \frac{1}{(1+2+3+\ldots+n)}