

BALANCE SHEET EQUATIONS

Depreciation Expense (Straight-Line Method) = $\frac{\text{Acquisition Cost} - \text{Salvage Value}}{\text{Estimated Useful Life}}$

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

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

Sum-of-the-Years' Digit Method:

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

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

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

