

Activity-Based Depreciation:

- Asset (pizza oven) purchase price: \$10,000
- 4 year/8,000 hour service life
- Depreciation rate: ? / hour
- Residual value: \$2,000

Usage (in hours):

- Year 1: 1,750
- Year 2: 2,150
- Year 3: 2,200
- Year 4: 2,000



Extra Practice
Problem 1

	Usage in current period	Depreciation Rate	Depreciation Expense	Accumulated Depreciation	Ending Book Value
Year 1					
Year 2					
Year 3					
Year 4					

Journal Entries: