



Unit 6 - UNIT-5 (Week 5)

Course outline

How to access the portal

Unit-1 (Week 1)

UNIT-2 (Week 2)

UNIT-3 (Week 3)

UNIT-4 (Week 4)

UNIT-5 (Week 5)

☐ Lecture-1: Definition, Reasons, Types of property, Value time Function and Book value

☐ Lecture-2: Basic Depreciation Methods: S-L Method, Declining Balance Method

☐ Lecture-3: Declining Balance Switching to S-L, SOYD Method

☐ Lecture-4: Modified accelerated cost recovery system (MACRS) method of depreciation, Depletion

☐ Lecture-5: Units of production method, Depletion

☐ Quiz : Assignment 5

Assignment 5

The due date for submitting this assignment has passed. **Due on 2018-03-14, 23:59 IST**
As per our records you have not submitted this assignment.

The common methods of computing depletion charges are

1 point



Rational method and irrational method



Conservative method and conventional method



Unit method and percentage method



Discrete method and depletion allowance method

No, the answer is incorrect.

Score: 0

Accepted Answers:

Unit method and percentage method

Estimated value of the property at the end of its life is known as

1 point



Market value



Fair value



Salvage value



Book value

No, the answer is incorrect.

Score: 0

Accepted Answers:

Salvage value

- ☐ Feedback Week-5
- ☐ Solutions of Assignment 5

UNIT-6 (Week 6)

UNIT-7 (Week 7)

UNIT-8 (Week 8)

DOWNLOAD VIDEOS

3) A commodity purchased during 1999 (with a recovery period of 5 years) has a first cost of Rs 500000 with an estimated salvage value of Rs 8,000 at the end of its life. The book value at the time of disposal of the computer, if it was sold at the end of 1999, under MACRS scheme will be **1 point**

- ☐ Rs 4,50,000
- ☐ Rs 4,00,000
- ☐ Rs 3,50,000
- ☐ Rs 2,00,000

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs 4,00,000

4) An asset was purchased in year 2001 for Rs 7,50,000 with life of 5 years and zero salvage value at the end of its life. The total accumulated depreciation charge between 2001 and the end of 2003 using SOYD (Sum of years digits) method will be **1 point**

- ☐ Rs 6,00,000
- ☐ Rs 1,50,000
- ☐ Rs 4,50,000
- ☐ Rs 3,00,000

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs 6,00,000

5) Depreciation schedule applicable to an acquired asset depends on tax law in effect **1 point**

- ☐ At the time of purchase
- ☐ At the time of disposal
- ☐ Does not depend upon time of purchase/disposal
- ☐ At any time in past

No, the answer is incorrect.

Score: 0

Accepted Answers:

At the time of purchase

6) From tax payer's point of view, the type of depreciation method which will have more acceptance while calculating deductions made for depreciation of an asset will be **1 point**

- ☐ SL method
- ☐



DDB switching to SL

☐

SOYD

☐

150% declining balance switching to SL

No, the answer is incorrect.

Score: 0

Accepted Answers:

DDB switching to SL

7) A machine, purchased for Rs. 45,000, has a depreciable life of 4 years. It will have an expected salvage value of Rs. 5,000 at the end of the depreciable life. Using straight line method, the book value at the end of first year will be **1 point**

☐

Rs. 27,500

☐

Rs. 20,000

☐

Rs. 35,000

☐

Rs. 25,000

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs. 35,000

8) A company purchased a tract of land for Rs. 7,00,000 that contained an estimated 25,000 usable trees. The value of the land was estimated at Rs. 2,00,000. In the first year of operation, the lumber company cut down 5,000 trees. According to the cost depletion method, the depletion deduction for year 1 is **1 point**

☐

Rs. 20,000

☐

Rs. 70,000

☐

Rs. 1,00,000

☐

Rs. 1,40,000

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs. 1,00,000

9) For Q 9 TO 10:

1 point

An equipment has a cost basis of Rs 50000 and is expected to have salvage value of Rs 10000 when replaced after 30000 hours of use

Depreciation rate per hour of use will be Rupees

- ☐ 1.25 per hour
- ☐ 1.33 per hour
- ☐ 1.36 per hour
- ☐ 1.65 per hour

No, the answer is incorrect.

Score: 0

Accepted Answers:

1.33 per hour

Book value at the end of 10,000 hours of operation will be Rupees

- ☐ 35000
- ☐ 36700
- ☐ 36580
- ☐ 35980

No, the answer is incorrect.

Score: 0

Accepted Answers:

36700



Previous Page

End

© 2014 NPTEL - Privacy & Terms - Honor Code - FAQs -

A project of



In association with



Funded by

Government of India
Ministry of Human Resource Development

Powered by

