

# Depreciation

(Crossword Puzzle #3)

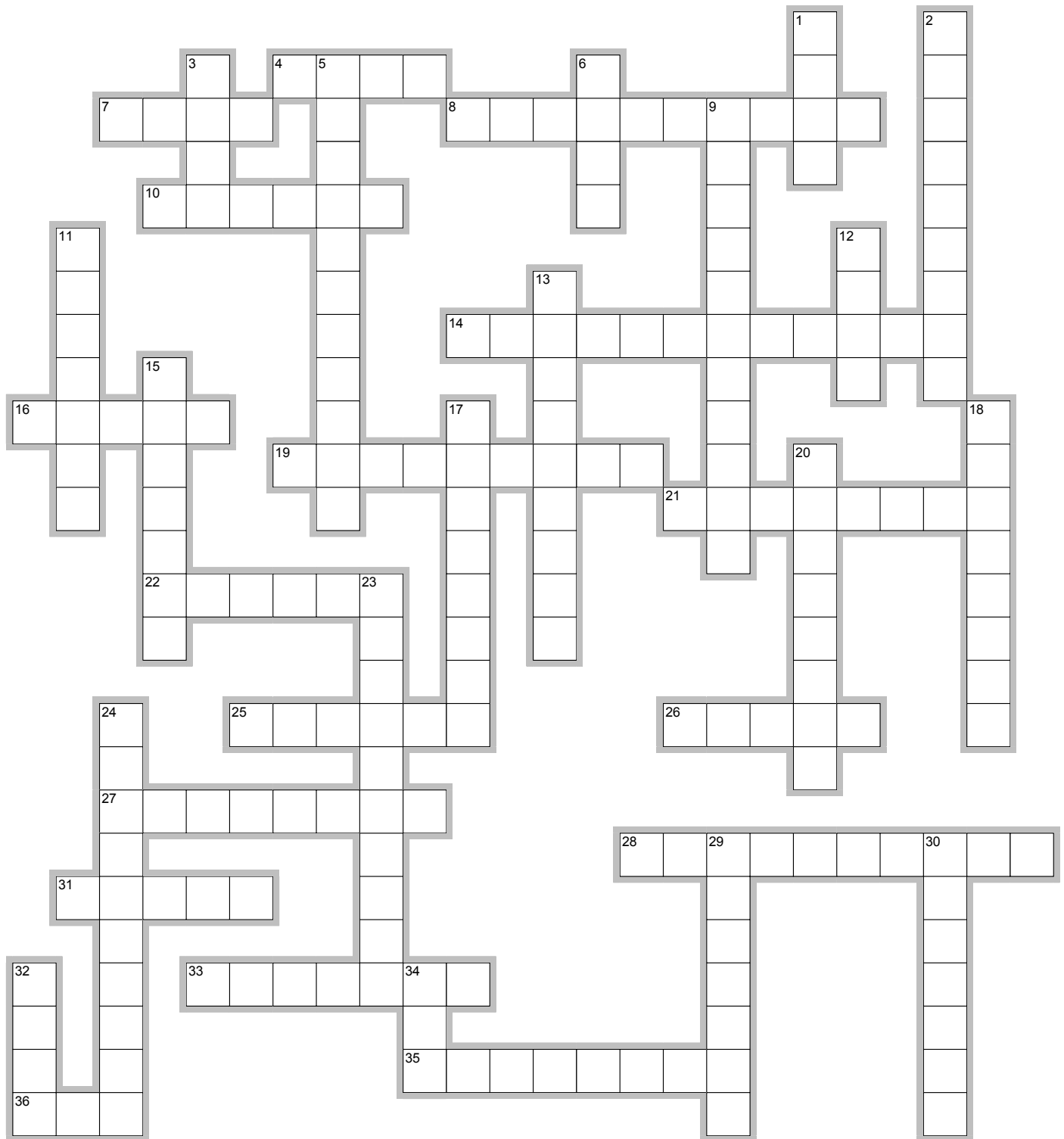


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# Crossword Puzzle (Depreciation #3)



## **ACROSS** (Depreciation #3)

4. Depreciation is a non-\_\_\_\_\_ expense.
7. The calculation of depreciation under the declining-balance method applies a constant rate to the asset's \_\_\_\_\_ value.
8. When the future cash flows of a long-lived asset are projected to be less than the asset's carrying amount, an \_\_\_\_\_ has occurred.
10. One of the estimates used in the calculation of depreciation is the number of years of the asset's \_\_\_\_\_ life.
14. \_\_\_\_\_ should be recorded up to the date of an asset's disposal.
16. Buildings, machinery, and equipment are also referred to as plant assets or \_\_\_\_\_ assets.
19. The cost of an asset includes all costs that are \_\_\_\_\_ in order to get the asset in place and ready for use.
21. The common method of depreciation used for financial reporting is the \_\_\_\_\_-line method.
22. Accumulated depreciation is a \_\_\_\_\_-asset account.
25. The depreciation method used for financial reporting may be different from the depreciation method used for \_\_\_\_\_ tax reporting.
26. Assets used in a business are reported on the balance sheet under the heading of Property, \_\_\_\_\_ and Equipment.
27. Depreciation on factory equipment will be part of manufacturing \_\_\_\_\_, which is assigned to the products manufactured.
28. The depreciable cost of an asset is its \_\_\_\_\_ cost minus its estimated salvage value.
31. An asset with accumulated depreciation equal to its cost is said to be \_\_\_\_\_-depreciated.
33. Routine repairs and maintenance for plant assets should be charged to \_\_\_\_\_.

## **Across** (Depreciation #3)

35. Depreciation is required by the \_\_\_\_\_ principle.
36. An asset has a cost of \$120,000 and its annual depreciation is \$10,000. If the estimated salvage value was \$20,000 then the estimated life for depreciation was \_\_\_\_\_ years.

## Down (Depreciation #3)

1. Property, plant and equipment are referred to as \_\_\_\_\_-lived assets.
2. Accelerated depreciation can be achieved by use of the double-\_\_\_\_\_ balance method.
3. To compute the amount of impairment \_\_\_\_\_, the asset's carrying amount is compared to its fair value.
5. The balance sheet account that is credited in the depreciation journal entry is \_\_\_\_\_ Depreciation.
6. A common practice is to take one-\_\_\_\_\_ year of depreciation expense in the year the asset is placed into service.
9. This basic accounting principle or guideline allows for the immediate expensing of assets having an insignificant cost.
11. Depreciation on a company's automobiles used by the sales staff will be reported under \_\_\_\_\_ and general administrative expenses.
12. If a plant asset is sold for more than its book value, a \_\_\_\_\_ is reported on the company's income statement.
13. On the statement of cash flows prepared under the indirect method, depreciation expense will be added back to net income in the \_\_\_\_\_ activities section of the statement.
15. Assets held for sale and no longer in \_\_\_\_\_ are not depreciated.
17. A change in depreciation because of a change in an asset's useful life is a change in an accounting\_\_\_\_\_.
18. A company that is constructing its own warehouse (and has borrowed money to do so) might be capitalizing \_\_\_\_\_ during the construction period.
20. An asset's book value is also referred to as its \_\_\_\_\_ value.
23. Depreciation is a systematic \_\_\_\_\_ of an asset's cost, rather than a valuation process.
24. A manufacturer's calculation of depreciation based on the number of units manufactured instead of years of useful life is the units of activity method or the units of \_\_\_\_\_ method.

## Down (Depreciation #3)

- 29. One of the estimates used in the calculation of depreciation is the \_\_\_\_\_ or scrap value.
- 30. Purchases of plant assets are known as \_\_\_\_\_ expenditures.
- 32. The book value of an asset is its \_\_\_\_\_ less its accumulated depreciation.
- 34. Accelerated depreciation can be achieved by using the \_\_\_\_\_-of-the-years' digits method.

# Solutions (Depreciation #3)

