

10 Financial position and depreciation

– Part 2 —Answers

Answers

Work through these after trying the questions yourself.

10.6 What the business owns and owes on one day.

10.7 Assets = liabilities + equity.

10.8 Assets.

10.9 Spreading the cost of a non-current asset over the years it is used.

10.10 £2,000 each year.

10.11 Yearly depreciation = $15\,000 \div 5 = £3\,000$. After 2 years it has lost $2 \times 3\,000 = £6\,000$, so its value is $15\,000 - 6\,000 = £9\,000$.