

會計學課堂作業

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會計習題 9-25

會計學(=)

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Ex 9-25 Entries for trade of PP&E

On July 1, Twin Pines Co., a water distiller, acquired new bottling equipment with a list price (fair market value) of \$220,000. Twin Pines received a trade-in allowance (fair market value) of \$45,000 on the old equipment of a similar type and paid cash of \$175,000. The following information about the old equipment is obtained from the account in the equipment ledger: cost, \$180,000; accumulated depreciation on December 31, the end of the preceding fiscal year, \$120,000; annual depreciation, \$12,000. Assuming the exchange has commercial substance, journalize the entries to record (a) the current depreciation of the old equipment to the date of trade-in and (b) the exchange transaction on July 1.

a. Depreciation Expense - Equipment	6000	
Accumulated Depreciation - Equipment		6000
Equipment depreciation ($12000 \times 6/12$)		
b. Accumulated Depreciation - Equipment;	126000	
Equipment	220000	
Loss on Exchange of Equipment	9000	
Equipment		180000
Cash		175000