

Quick Question On Disposal Of Plant Assets

A truck costing \$24,000, with a useful life of 5 years and residual value of \$4,000, was disposed of as explained by each of the following independent transaction descriptions.

Make the required Journal Entries assuming straight-line method of depreciation.

1. The truck was sold for \$10,000 after 3 years.
2. The truck was sold for \$15,000 after 3 years.
3. The truck was traded in after 4 years for a new truck with a list price of \$30,000. An allowance of \$12,000 was received for the old truck.
4. The truck was traded in after 4 years for a new truck with a list price of \$30,000. An allowance of \$6,000 was received for the old truck.
5. Redo number 4 using accounting procedures accepted by the IRS.

DATA SUMMARY:

DATE	ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT