

Depreciation

Candy Factory - The annual amount charged off - to cover Depreciation on Machinery & Fixtures, should average 10% of book Value. See p 30 Cost Manual for Confectioners.

Evans - p 31 - There are 2 kinds of Depn, one, the gradual wearing out due to age which cannot be remedied by repair and the other is due to machines & appliances becoming obsolete. For further remarks see p 30 & 31

Evans - p 32 & 33 for Determination of Depn to be chgd off - 1st & simplest & the one most commonly used is to divide the difference between the actual 1st Cost and the scrap value by the number of years it is estimated the Machinery or Building will be used and the quotient gives the yearly amount - which must be charged to the cost of the product. For further particulars see 34 to 36

Woods - p 290 - Building Equipment 5 to 10% outside of the Depn for Bldg.