

Double-Declining Balance Depreciation Table

| Year | Beginning Book Value | Depreciation Rate | Depreciation Expense | Ending Book Value |
|------|----------------------|-------------------|----------------------|-------------------|
| 1 | \$10,000 | 40% | \$4,000 | \$6,000 |
| 2 | \$6,000 | 40% | \$2,400 | \$3,600 |
| 3 | \$3,600 | 40% | \$1,440 | \$2,160 |
| 4 | \$2,160 | 40% | \$864 | \$1,296 |
| 5 | \$1,296 | 40% | \$296 | \$1,000 |

Important Notes:

- Double-declining balance is an accelerated depreciation method, front-loading the expense in early years.
- The depreciation rate is twice the straight-line rate (e.g., for a 5-year asset, $2 \times 1/5 = 40\%$).
- Depreciation stops once the book value equals the asset's salvage value.
- This method better matches expenses with revenue for assets that lose value more quickly in initial years.
- Be sure to review applicable accounting standards before applying DDB for financial reporting.