

JD Edwards World

Global Solutions: Depreciation Methods Guide

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Describes tasks needed to define the depreciation methods for France, Germany, Italy, Spain, Japan, and Korea.

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Preface

Welcome to the JD Edwards World Global Solutions: Depreciations Methods Guide.

Audience

This document is intended for implementers and end users of JD Edwards World users across the world.

Documentation Accessibility

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Conventions

The following text conventions are used in this document:

| Convention | Meaning |
|-----------------|--|
| boldface | Indicates cautionary information or terms defined in the glossary. |
| <i>italic</i> | Indicates book titles or emphasis. |

Part I

Depreciation Methods for Europe, Middle East, and Africa

This part contains these chapters:

- [Chapter 1, "About Depreciation Methods for Europe, Middle East, and Africa,"](#)
- [Chapter 2, "Defining Depreciation Methods for France,"](#)
- [Chapter 3, "Defining Depreciation Methods for Germany,"](#)
- [Chapter 4, "Defining Depreciation Methods for Italy,"](#)
- [Chapter 5, "Defining Depreciation Methods for Spain."](#)

About Depreciation Methods for Europe, Middle East, and Africa

Depreciation methods for Europe, the Middle East, and Africa include the following:

- Defining depreciation methods for France
- Calculating derogatory depreciation for France
- Defining depreciation methods for Germany
- Defining depreciation methods for Italy
- Defining depreciation methods for Spain



Defining Depreciation Methods for France

To define the depreciation methods for France, this chapter contains these topics:

- Section 2.1, "Declining Balance - Amortissement Dégressif,"
- Section 2.2, "Straight Line - Amortissement Linéaire Pro Rata Temporis,"
- Section 2.3, "Calculating Derogatory Depreciation for France."

2.1 Declining Balance - Amortissement Dégressif

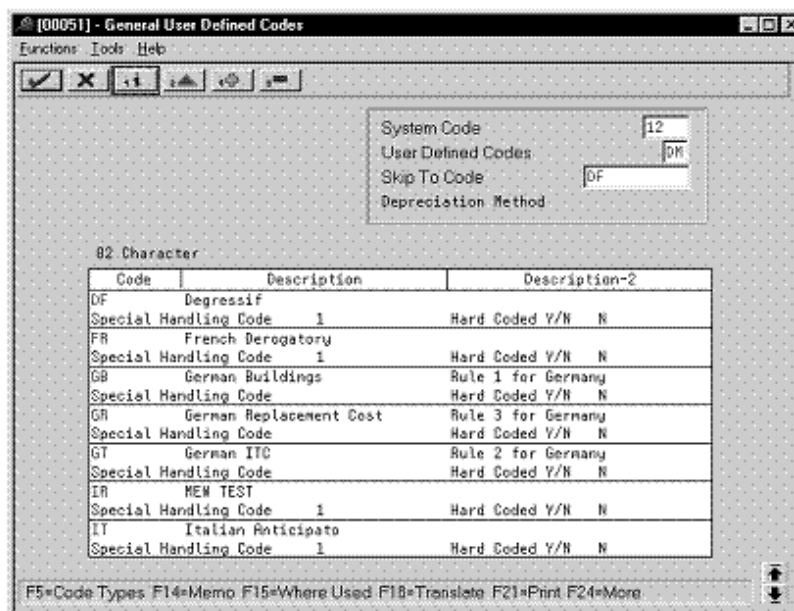
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

2.1.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code DF for Declining Balance - Dégressif.

Figure 2-1 General User Defined Codes screen



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-----------|
| Code | DF |
| Description | Dégressif |
| Special Handling Code | 1 |
| Hard Coded | N |

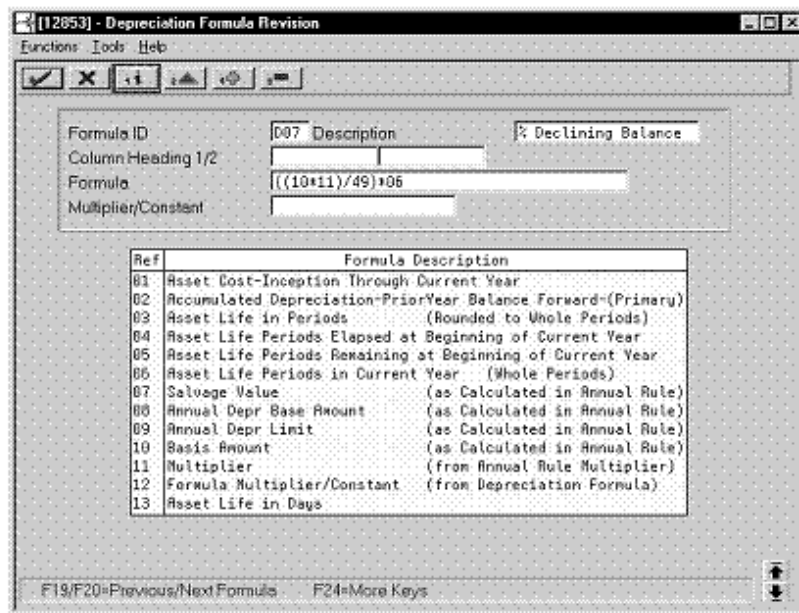
2.1.2 Setting up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Last year minus one
- Last year

First and Subsequent Years Depreciation

Figure 2-2 Depreciation Formula Revision screen (First and Subsequent Years)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------------|
| Formula ID | D07 |
| Description | % Declining Balance |
| Formula | $((10 * 11) / 49) * 06$ |

Last Year Minus One

Figure 2-3 Depreciation Formula Revision screen (Last Year Minus One)

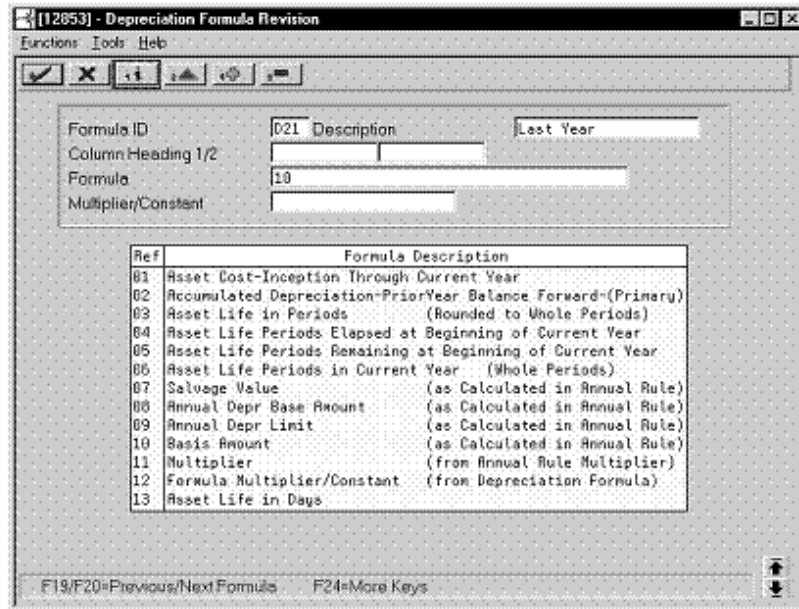
| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|-----------------------|
| Formula ID | D22 |
| Description | Dégressif Last Yr - 1 |
| Formula | (10*12) |
| Multiplier/Constant | 0.500000 |

Last Year

Figure 2-4 Depreciation Formula Revision screen (Last Year)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-----------|
| Formula ID | D21 |
| Description | Last Year |
| Formula | 10 |

2.1.3 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method DF

2.1.3.1 Setting Up Reference Information and Conventions

Figure 2-5 Depreciation Rule Revisions screen (Reference)

The screenshot shows a software window titled "[12851] - Depreciation Rule Revisions". It contains several input fields and a table. The fields are: Depreciation Method (DF), Rule Description (Dégressif), Life(Periods) (48), Initial Term Apport (blank), Compute Direction (R), In Service From/Thru (01/01/2005), and Effect From/Thru (01/01/2005). Below these are checkboxes for "Rule Conventions" such as "No override", "Modified Depreciation Start Date", "Modified Depreciation End Date", "No Secondary Percentage", "1st Day of Depreciation Start Year", and "Allow Negative Depreciation". At the bottom is a table with columns: D, Life, Vr, IS, Annual, Per, Formulas, and C. The table contains three rows of data.

| D | Life | Vr | IS | Annual | Per | Formulas | C |
|---|------|-----|----|------------|-----|---------------------|-------------------------|
| P | Frm | Thr | No | Multiplier | Pat | Depreciation Basis | |
| | 1 | 2 | | .37500000 | 007 | % Declining Balance | 504 NBV Beg Year Primar |
| | 3 | 3 | | | 022 | Dégressif Last Yr-1 | 504 NBV Beg Year Primar |
| | 4 | 4 | | | 021 | Last Year | 504 NBV Beg Year Primar |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|--|
| Depreciation Method | DF |
| Rule Description | Dégressif |
| Life (Periods) | 48 |
| Initial Term Apport | Blank (defaults to 1st day of 1st month) |
| Compute Direction | R |
| In Service From/Thru | 01/01/2005 |
| Effective From/Thru | 01/01/2005 |

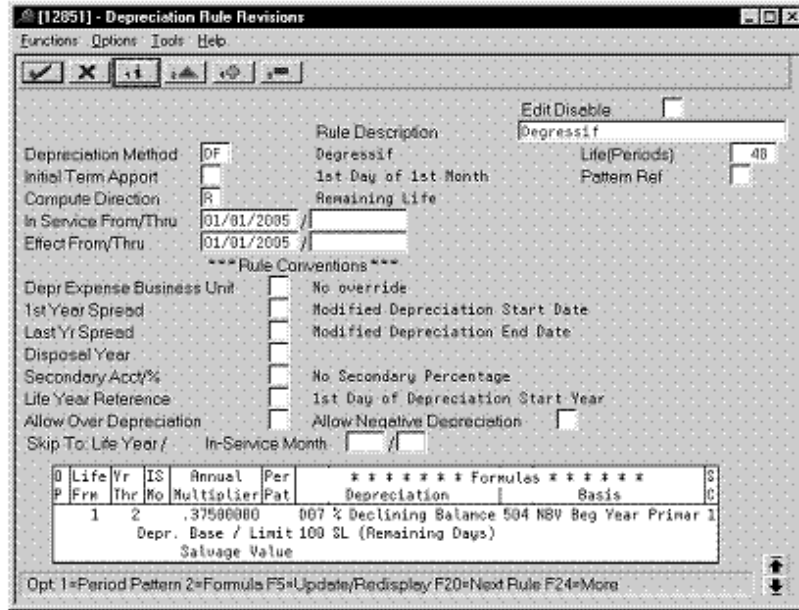
2.1.3.2 Attaching the Formulas to Depreciation Method DF

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 and 2
- Second Record: Life Year 3
- Third Record: Life Year 4

First Record: Life Years 1 and 2

Figure 2-6 Depreciation Rule Revisions screen (Life Years 1 and 2)



Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Annual Multiplier | 0.37500000 |
| Depreciation | D07 |
| Basis | 504 |
| SC (Secondary Percentage Continuation) | 1 |
| Depr. Base/Limit | 100 |

Second Record: Life Year 3

Figure 2-7 Depreciation Rule Revisions screen (Life Year 3)

*** Rule Conventions ***

| Life Yr | IS | Annual | Per | Formulas | SC | | | | |
|---------|-----|--------|-----|------------|---------------------|--------------|-------|----------|----------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis | | |
| 3 | 3 | | | 022 | Degressif Last Yr-1 | 504 | NBV | Beg Year | Primar 1 |

Depr. Base / Limit
Salvage Value

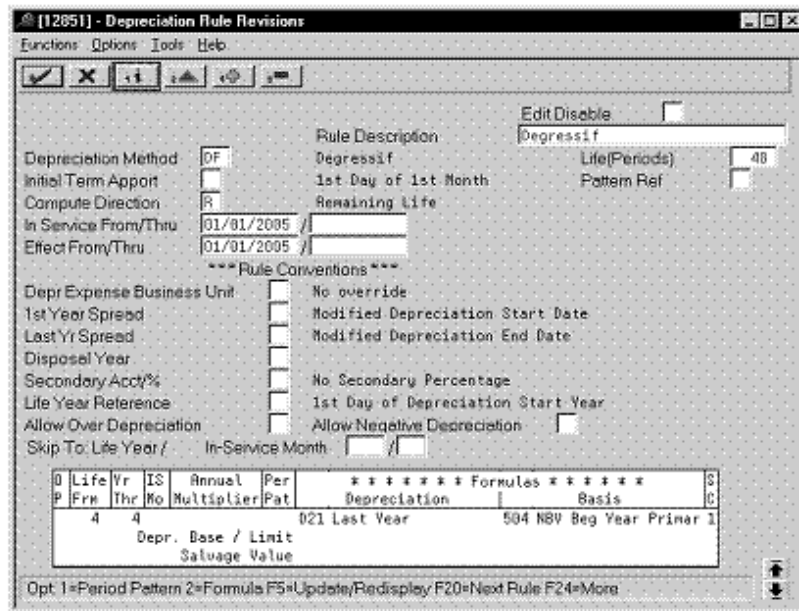
Opt 1=Period Pattern 2=Formulas F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Depreciation | D22 |
| Basis | 504 |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Year 4

Figure 2–8 Depreciation Rule Revisions screen (Life Year 4)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 4 |
| Life Yr Thr | 4 |
| Depreciation | D21 |
| Basis | 504 |
| SC (Secondary Percentage Continuation) | 1 |

2.2 Straight Line - Amortissement Linéaire Pro Rata Temporis

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

2.2.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code SL for Straight Line.

Figure 2-9 General User Defined Codes screen (Straight Line)

System Code: 12
 User Defined Codes: DM
 Skip To Code: SL
 Depreciation Method:

| Code | Description | Description-2 |
|-----------------------|--------------------------|------------------|
| SL | S/L for France | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| SV | Salvage Value | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| SV | Sum of the Year's Digits | w/ LYRC=1 |
| Special Handling Code | 1 | Hard Coded Y/N N |
| TT | Test Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| T1 | Tokubetsu-Shokuyaku, SL | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| T2 | Tokubetsu-Shokuyaku DDB | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| WT | Waldo's Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|----------------|
| Code | SL |
| Description | S/L for France |
| Special Handling Code | 1 |
| Hard Coded | N |

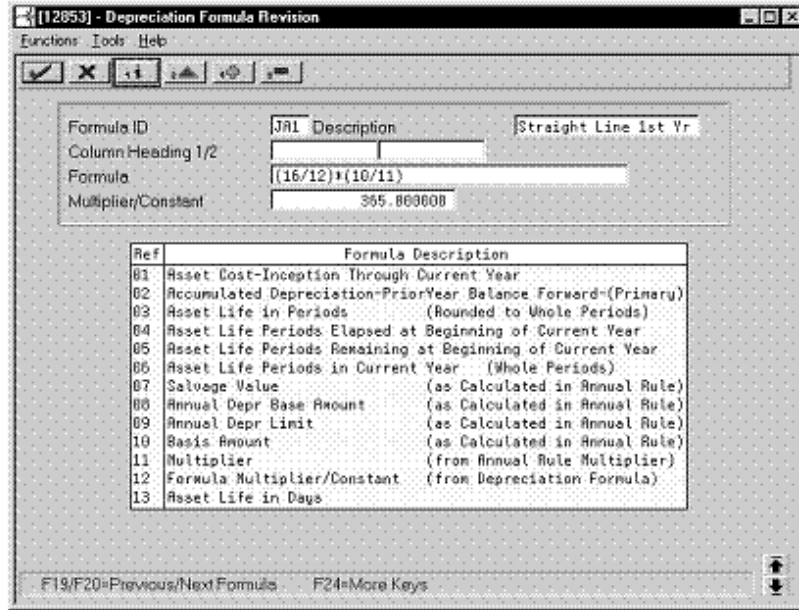
2.2.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First year depreciation
- Years 2 through 5
- Remaining days

First Year Depreciation

Figure 2-10 Depreciation Formula Revisions screen (First Year)

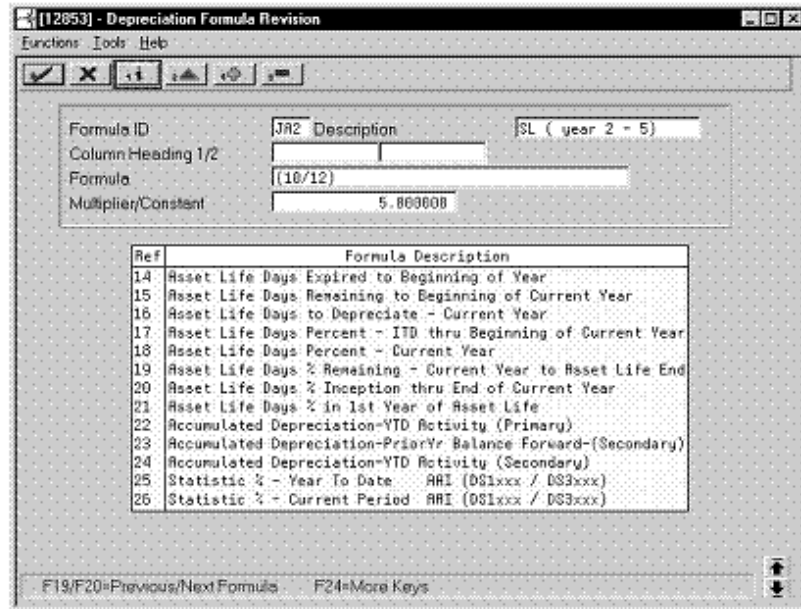


Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | JA1 |
| Description | Straight Line 1st Yr |
| Formula | $(16/12) * (10/11)$ |
| Multiplier/Constant | 365.000000 |

Years 2 through 5

Figure 2-11 Depreciation Formula Revision screen (Years 2 through 5)

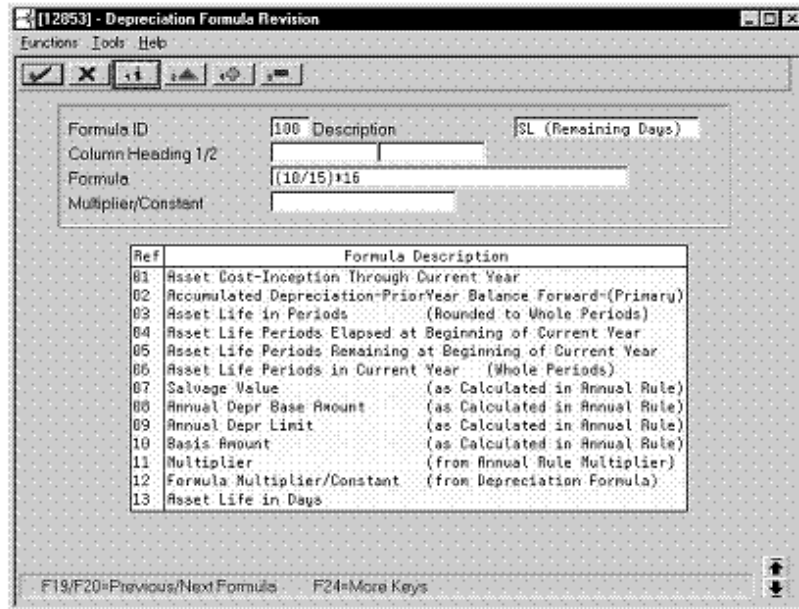


Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|------------------|
| Formula ID | JA2 |
| Description | S/L (year 2 - 5) |
| Formula | (10/12) |
| Multiplier/Constant | 5.000000 |

Remaining Days

Figure 2–12 Depreciation Formula Revision screen (Remaining Days)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | 100 |
| Description | SL (Remaining Days) |
| Formula | $(10/15)*16$ |

2.2.3 Setting Up the Depreciation Method

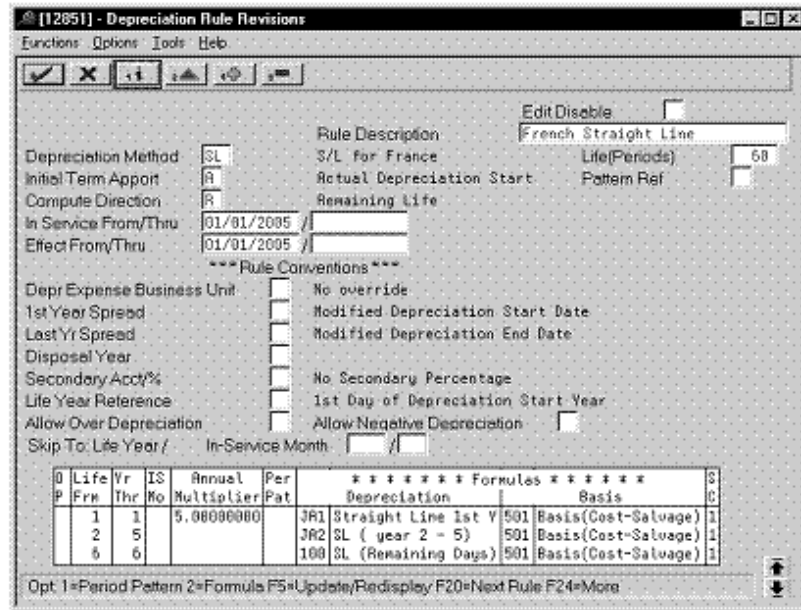
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method SL

2.2.3.1 Setting Up Reference Information and Conventions

Figure 2-13 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|----------------------|
| Depreciation Method | SL |
| Rule Description | French Straight Line |
| Life (Periods) | 60 |
| Initial Term Apport | A |
| Compute Direction | R |
| In Service From/Thru | 01/01/2005 |
| Effective From/Thru | 01/01/2005 |

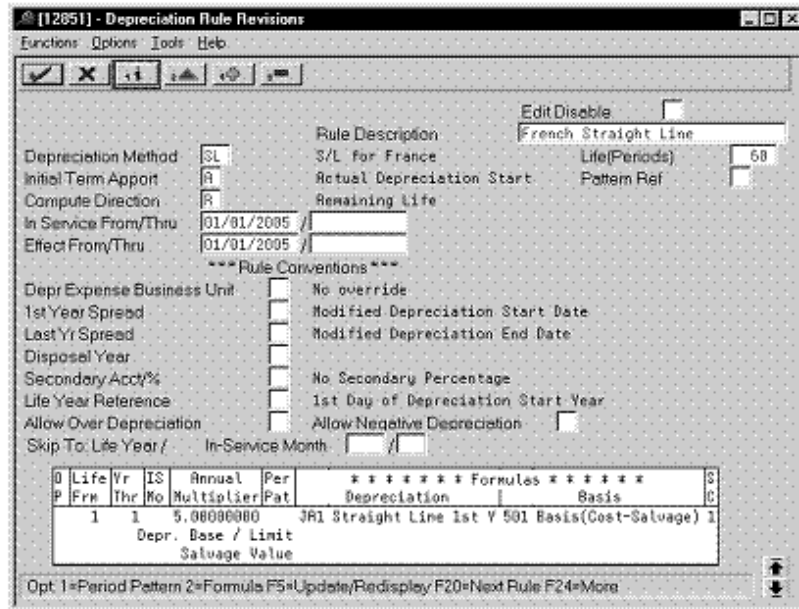
2.2.3.2 Attaching the Formulas to Depreciation Method SL

Attach the following formulas to the depreciation method:

- First Record: Life Year 1
- Second Record: Life Years 2 through 5
- Third Record: Life Year 6

First Record: Life Year 1

Figure 2-14 Depreciation Rule Revisions screen (Life Year 1)

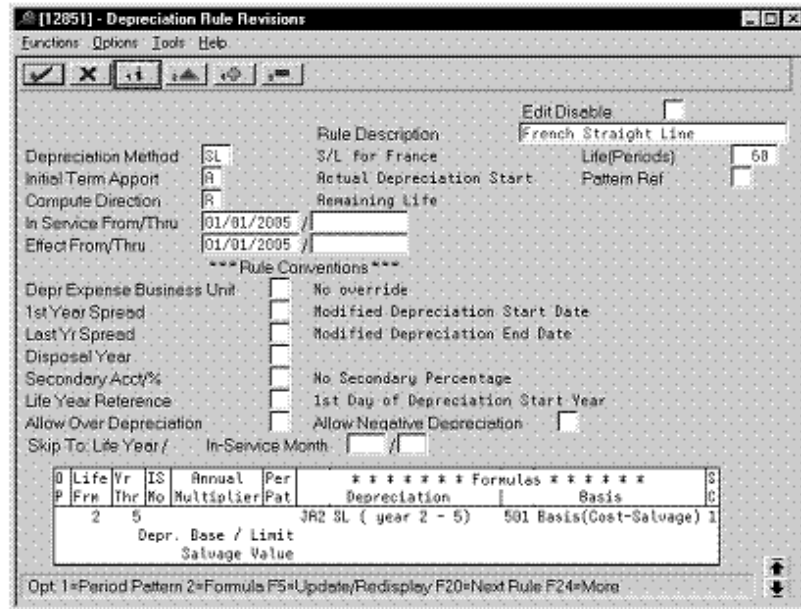


Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 1 |
| Annual Multiplier | 5 |
| Depreciation | JA1 |
| Basis | 501 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 2 through 5

Figure 2-15 Depreciation Rule Revisions screen (Life Years 2 through 5)

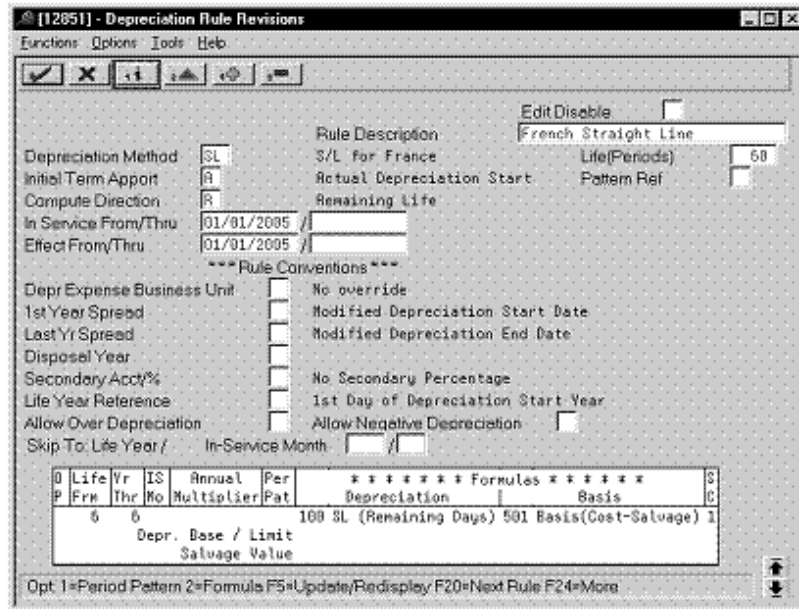


Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 2 |
| Life Yr Thr | 5 |
| Depreciation | JA2 |
| Basis | 501 |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Year 6

Figure 2–16 Depreciation Rule Revisions screen (Life Year 6)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 6 |
| Life Yr Thr | 6 |
| Depreciation | 100 |
| Basis | 501 |
| SC (Secondary Percentage Continuation) | 1 |

2.3 Calculating Derogatory Depreciation for France

Derogatory depreciation is the difference between the straight line and the declining balance depreciation methods.

J.D. Edwards software allows you to calculate two different types of depreciation for the same asset. To do this, you use two ledger types:

- Ledger type AA for Straight Line depreciation based on the number of days (Pro Rata Temporis)
- Ledger type AX for Declining Balance depreciation (Dégressif)

At the end of every period, after you calculate the depreciation on the above ledger types, you should perform the following procedure to create the entries that are necessary for justifying the derogatory depreciation.

To calculate derogatory depreciation

1. Use the STAR tool to select entries where the depreciation for the period in the AX ledger (Declining Balance) is greater than that in the AA ledger (Straight Line).

2. Create a journal entry in the AA ledger type to:
 - Debit the Derogatory Depreciation account (Balance Sheet). This is the French legal Chart of Accounts account 145 Amortissements Dérogatoires.
 - Credit the Exceptional Expenses Allowance (Income Statement). This is the French legal Chart of Accounts account 687 Dotations Exceptionnelles.
3. Use World Writer to flag a field of the F0911 file so that the entries that have been flagged do not get selected again for posting to the Fixed Assets system.
4. Use the STAR tool to select entries where the depreciation for the period in the AX ledger (Declining Balance) is less than that in the AA ledger (Straight Line).
5. Create a journal entry in the AA ledger type to:
 - Debit the Regulated Reserves (Income Statement). This is the French legal Chart of Accounts account 787 Reprise Dotations Exceptionnelles.
 - Credit the Derogatory Depreciation account (Balance Sheet). This is the French legal Chart of Accounts account 145 Amortissements Dérogatoires.
6. When the item is disposed, it is necessary to justify the Derogatory Depreciation account (French account 145 Amortissements Dérogatoires) by item number. To do this, use the STAR tool to generate a journal entry by asset number (account included in the AAI FX range).

Defining Depreciation Methods for Germany

To define the depreciation methods for Germany, this chapter contains these topics:

- [Section 3.1, "Building,"](#)
- [Section 3.2, "Declining Balance,"](#)
- [Section 3.3, "Investment Tax Credit,"](#)
- [Section 3.4, "Replacement Cost."](#)

3.1 Building

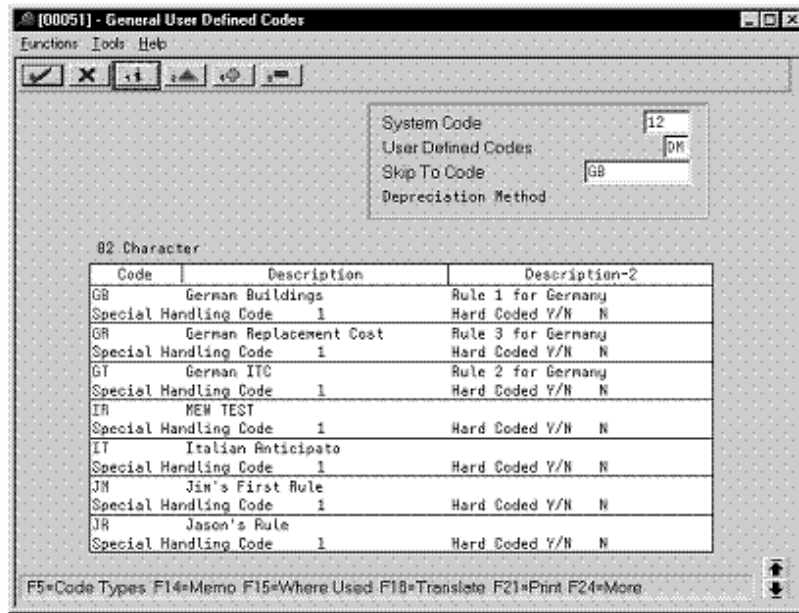
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

3.1.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code GB for German Buildings.

Figure 3-1 General User Defined Codes screen (GB)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------|
| Code | GB |
| Description | German Buildings |
| Special Handling Code | 1 |
| Hard Coded | N |

3.1.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 3-2 Depreciation Formula Revision screen

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|--------------------|-------------------------|
| Formula ID | DE1 |
| Description | German Building #1 |
| Column Heading 1/2 | Item Bal % |
| Formula | ((10 * 11) * (06 / 49)) |

3.1.3 Setting Up the Depreciation Method

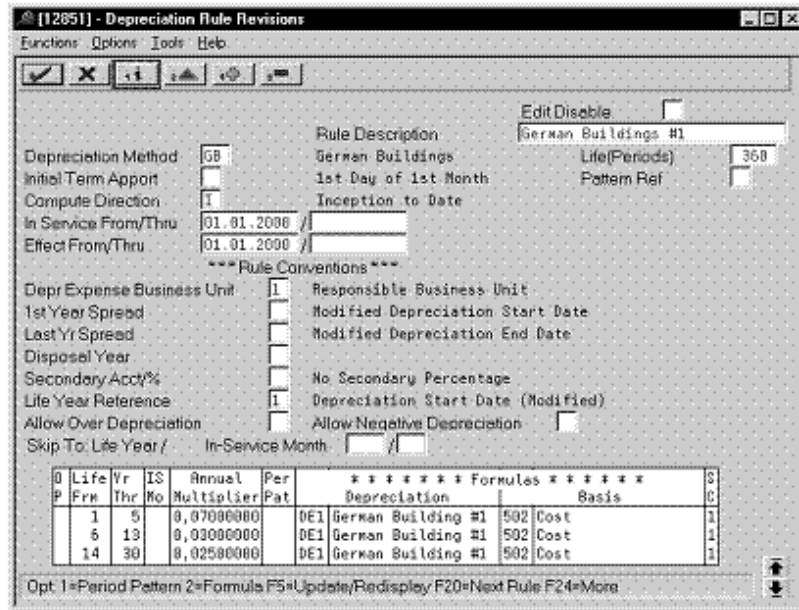
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method GB

3.1.3.1 Setting Up Reference Information and Conventions

Figure 3-3 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------------|--|
| Depreciation Method | GB |
| Rule Description | German Buildings #1 |
| Life (Periods) | 360 |
| Initial Term Apport | Blank (defaults to 1st day of 1st month) |
| Compute Direction | I |
| In Service From/Thru | 01/01/2000 |
| Effective From/Thru | 01/01/2000 |
| Depr Expense Business Unit | 1 |
| Life Year Reference | 1 |

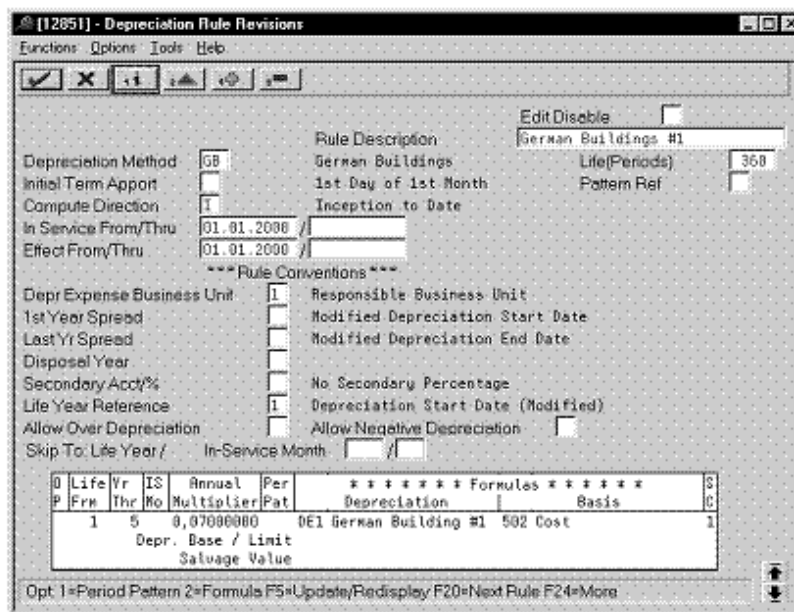
3.1.3.2 Attaching the Formulas to Depreciation Method GB

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 5
- Second Record: Life Years 6 through 13
- Third Record: Life Years 14 through 30

First Record: Life Years 1 through 5

Figure 3-4 Depreciation Rule Revisions screen (Life Years 1 through 5)

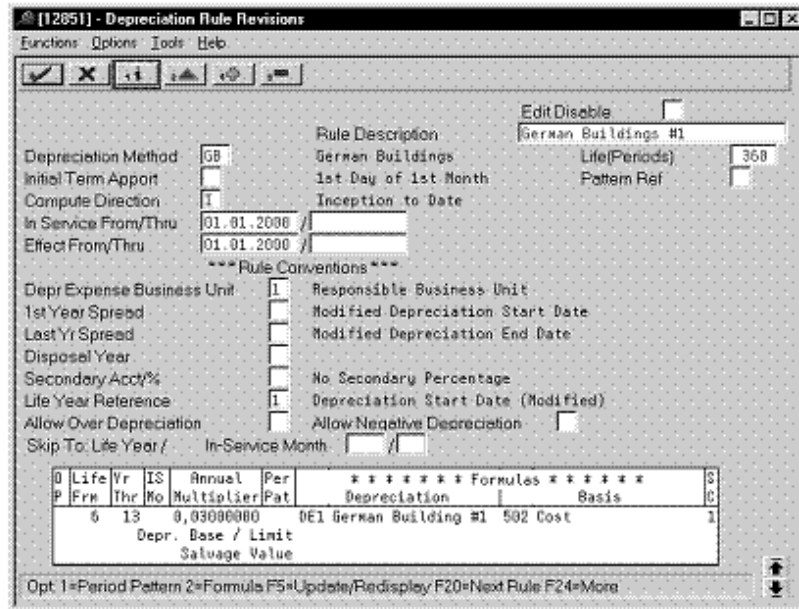


Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 5 |
| Annual Multiplier | 0.07000000 |
| Depreciation | DE1 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 6 through 13

Figure 3-5 Depreciation Rule Revisions screen (Life Years 6 through 13)



Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 6 |
| Life Yr Thr | 13 |
| Annual Multiplier | 0.03000000 |
| Depreciation | DE1 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 14 through 30

Figure 3–6 Depreciation Rule Revisions screen (Life Years 14 through 30)

The screenshot shows the 'Depreciation Rule Revisions' screen. Key fields include:

- Depreciation Method: GB
- Rule Description: German Buildings #1
- In Service From/Thru: 01.01.2008 /
- Effect From/Thru: 01.01.2000 /
- Life(Periods): 360
- Pattern Ref:
- Rule Conventions:
 - Depr Expense Business Unit: Responsible Business Unit
 - 1st Year Spread: Modified Depreciation Start Date
 - Last Yr Spread: Modified Depreciation End Date
 - Disposal Year:
 - Secondary Acct%: No Secondary Percentage
 - Life Year Reference: Depreciation Start Date (Modified)
 - Allow Over Depreciation: Allow Negative Depreciation:
- Skip To: Life Year / In-Service Month: /

| 0 | Life Yr | IS | Annual | Per | Formulas | SC |
|---|---------|------|------------|-----|-----------------------------|-------|
| P | Frm | Thru | Multiplier | Pat | Depreciation | Basis |
| | 14 | 30 | 0,02500000 | DE1 | German Building #1 502 Cost | 1 |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 14 |
| Life Yr Thr | 30 |
| Annual Multiplier | 0.02500000 |
| Depreciation | DE1 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

3.2 Declining Balance

Defining this depreciation method includes the following task:

- Setting up depreciation formulas

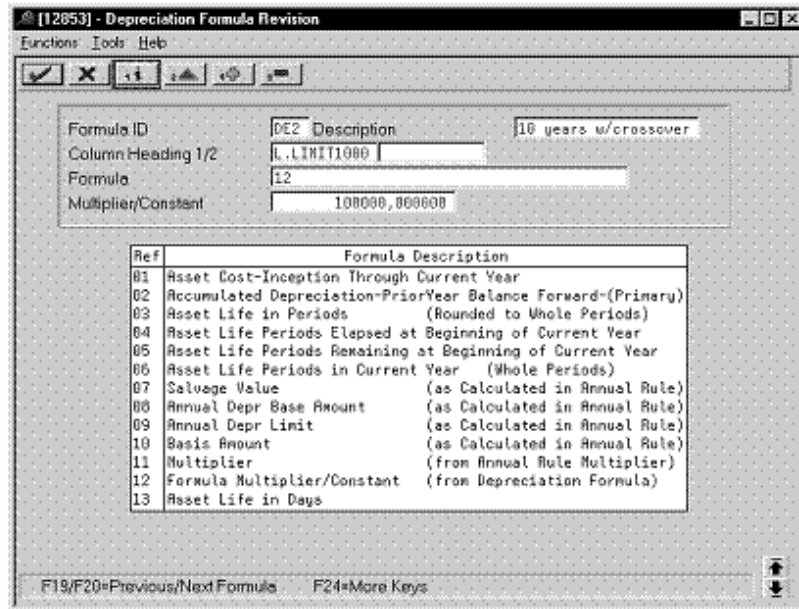
3.2.1 Setting up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- Lower Limit 1000
- Upper Limit 2500
- Cost Less Salvage

Lower Limit 1000

Figure 3-7 Depreciation Formula Revision screen (Lower Limit 1000)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | DE2 |
| Description | 10 years w/crossover |
| Column Heading 1/2 | L.Limit1000 |
| Formula | 12 |
| Multiplier/Constant | 100000.000000 |

Upper Limit 2500

Figure 3–8 Depreciation Formula Revision screen (Upper Limit 2500)

| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | DE3 |
| Description | 10 years w/crossover |
| Column Heading 1/2 | U.Limit2500 |
| Formula | 12 |
| Multiplier/Constant | 250000.000000 |

Cost Less Salvage

Figure 3–9 Depreciation Formula Revision screen (Cost Less Salvage)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|--------------------|----------------------|
| Formula ID | DE4 |
| Description | 10 years w/crossover |
| Column Heading 1/2 | Cost-Salv |
| Formula | 01 - 07 |

3.3 Investment Tax Credit

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

3.3.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code GT for German Investment Tax Credit (ITC).

Figure 3–10 General User Defined Codes screen (GT)

System Code: 12
 User Defined Codes: DM
 Skip To Code: GT
 Depreciation Method:

| Code | Description | Description-2 |
|------|-------------------------------|--------------------|
| GT | German ITC | Rule 2 for Germany |
| | Special Handling Code | 1 |
| | | Hard Coded Y/N N |
| IR | MEM TEST | |
| | Special Handling Code | 1 |
| | | Hard Coded Y/N N |
| IT | Italian Anticipato | |
| | Special Handling Code | 1 |
| | | Hard Coded Y/N N |
| JM | Jin's First Rule | |
| | Special Handling Code | 1 |
| | | Hard Coded Y/N N |
| JR | Jason's Rule | |
| | Special Handling Code | 1 |
| | | Hard Coded Y/N N |
| KC | Kev C's Depreciation Method | |
| | Special Handling Code | |
| | | Hard Coded Y/N N |
| KE | Korean DE Capital Expenditure | |
| | Special Handling Code | |
| | | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------|
| Code | GT |
| Description | German ITC |
| Special Handling Code | 1 |
| Hard Coded | N |

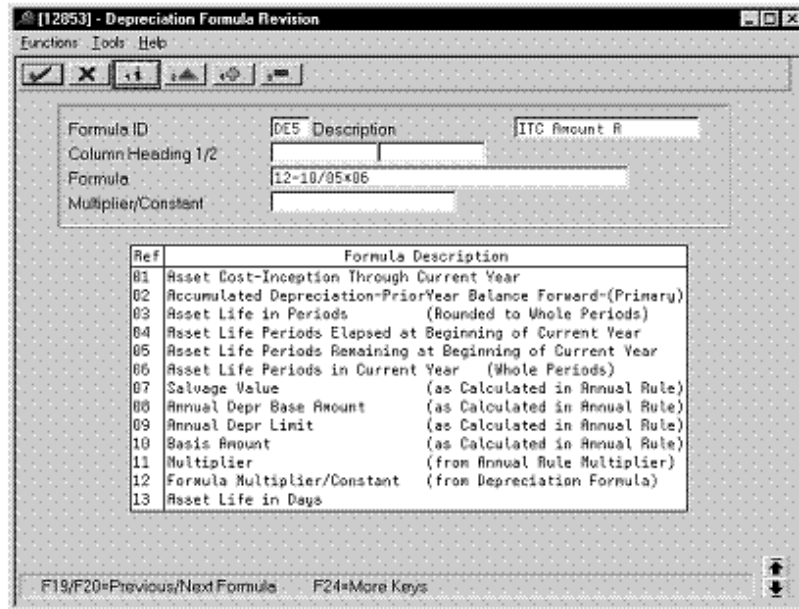
3.3.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- ITC Amount A
- ITC Amount B

ITC Amount A

Figure 3-11 Depreciation Formula Revision screen (ITC Amount A)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|--------------|
| Formula ID | DE5 |
| Description | ITC Amount A |
| Formula | 12-10/05*06 |

ITC Amount B

Figure 3–12 Depreciation Formula Revision screen (ITC Amount B)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|--------------|
| Formula ID | DE6 |
| Description | ITC Amount B |
| Formula | 42 |

3.3.3 Setting Up the Depreciation Method

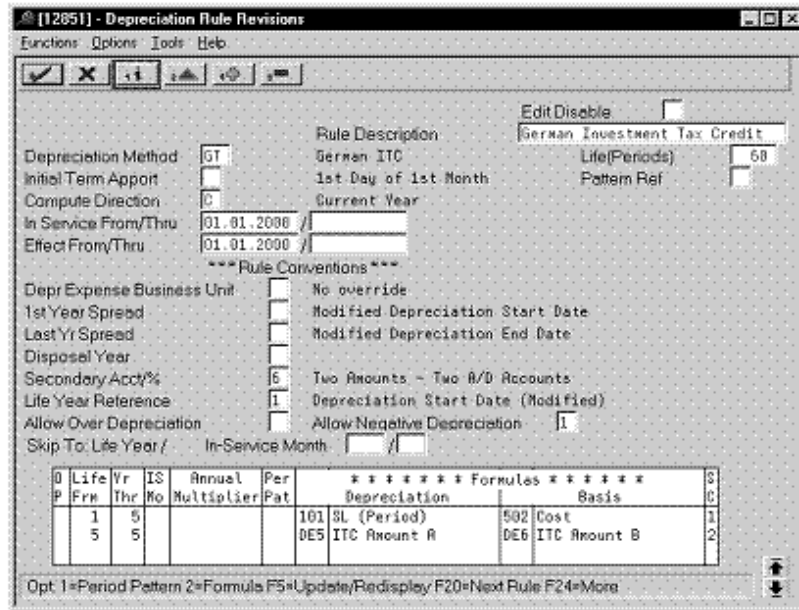
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method GT

3.3.3.1 Setting Up Reference Information and Conventions

Figure 3-13 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------------|--|
| Depreciation Method | GT |
| Rule Description | German Investment Tax Credit |
| Life (Periods) | 60 |
| Initial Term Apport | Blank (defaults to 1st day of 1st month) |
| Compute Direction | C |
| In Service From/Thru | 01.01.2000 |
| Effective From/Thru | 01.01.2000 |
| Secondary Acct/% | 6 |
| Life Year Reference | 1 |
| Allow Negative Depreciation | 1 |

3.3.3.2 Attaching the Formulas to Depreciation Method GT

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 5
- Second Record: Life Year 5

First Record: Life Years 1 through 5

Figure 3-14 Depreciation Rule Revisions screen (Life Years 1 through 5)

*** Rule Conventions ***

| Life Yr | IS | Annual | Per | Formulas | SC | | | |
|---------|-----|--------|-----|------------|-------------|--------------|-------|---|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis | |
| 1 | 5 | | | 101 | SL (Period) | 502 | Cost | 1 |

Depr. Base / Limit
Salvage Value

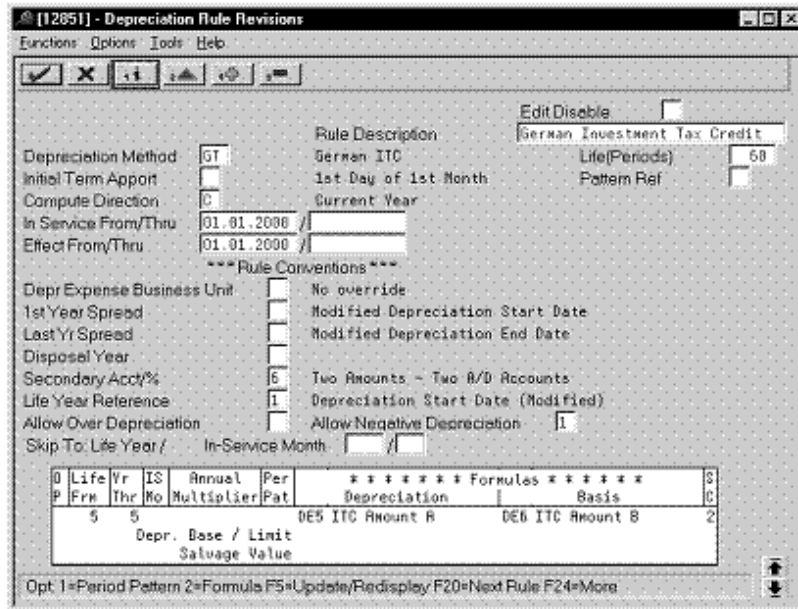
Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 5 |
| Depreciation | 101 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Year 5

Figure 3–15 Depreciation Rule Revisions screen (Life Year 5)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 5 |
| Life Yr Thr | 5 |
| Depreciation | DE5 |
| Basis | DE6 |
| SC (Secondary Percentage Continuation) | 2 |

3.4 Replacement Cost

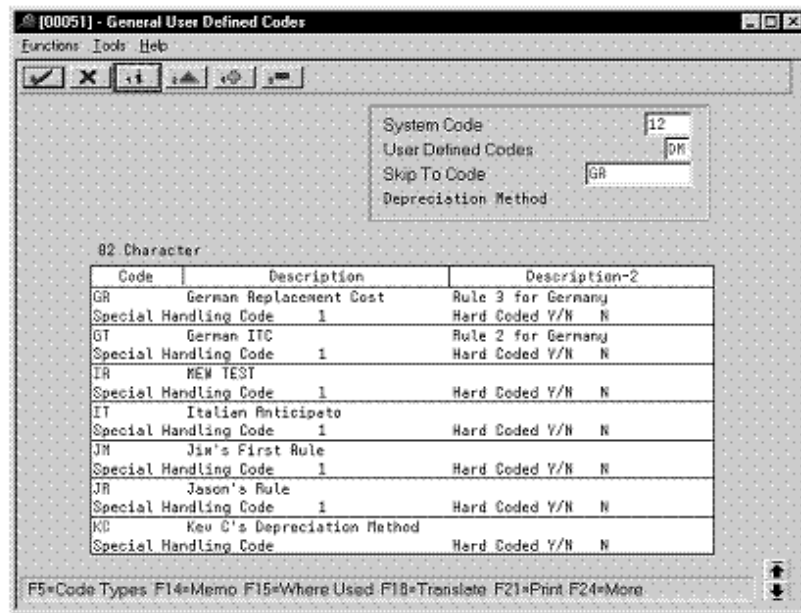
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

3.4.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code GR for German Replacement Cost.

Figure 3–16 General User Defined Codes screen (GR)



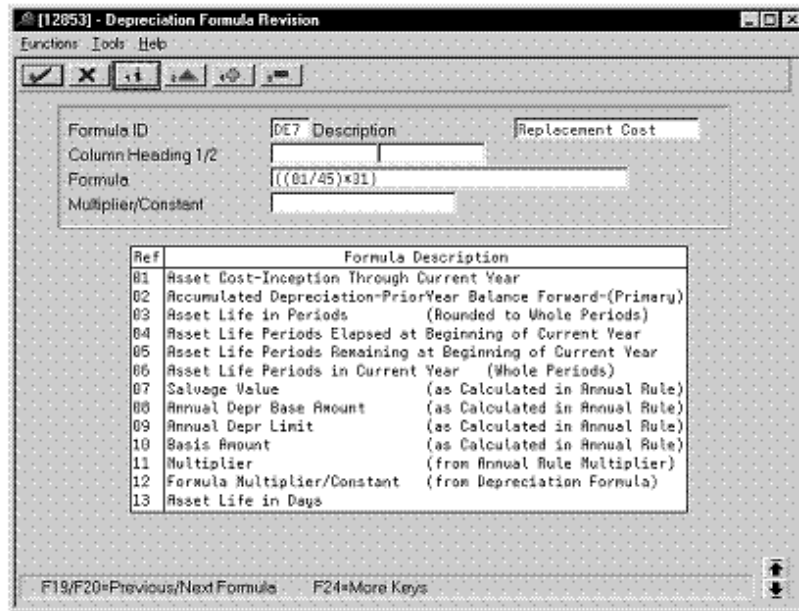
Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-------------------------|
| Code | GR |
| Description | German Replacement Cost |
| Special Handling Code | 1 |
| Hard Coded | N |

3.4.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 3-17 Depreciation Formula Revision screen (GR)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|------------------|
| Formula ID | DE7 |
| Description | Replacement Cost |
| Formula | ((01/45)*31) |

3.4.3 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formula to depreciation method GR

3.4.3.1 Setting Up Reference Information and Conventions

Figure 3–18 Depreciation Rule Revisions screen (Reference)

*** Rule Conventions ***

| D | Life | Vr | IS | Annual | Per | Formulas | C |
|---|------|------|----|------------|-----|----------------------|----------|
| P | Frm | Thru | No | Multiplier | Pat | Depreciation | Basis |
| | 1 | 5 | | | | DE7 Replacement Cost | 502 Cost |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

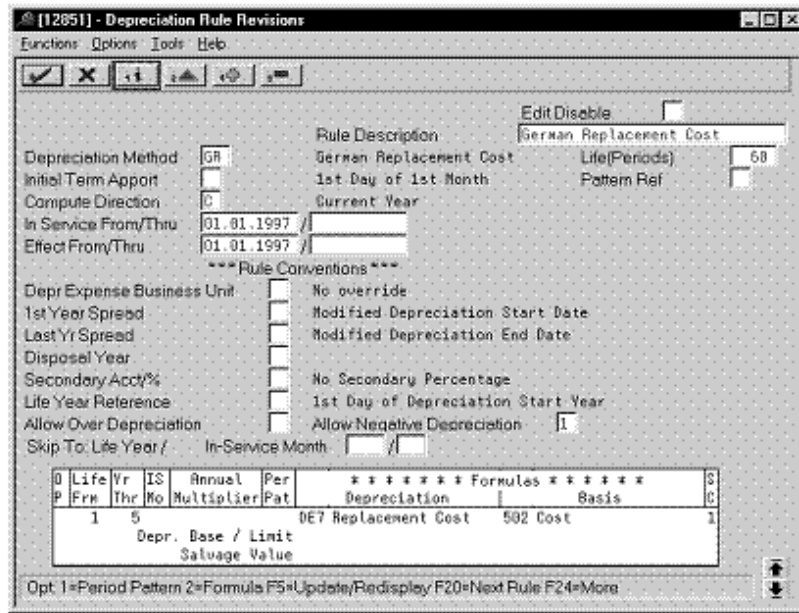
Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------------|--|
| Depreciation Method | GR |
| Rule Description | German Replacement Cost |
| Life (Periods) | 60 |
| Initial Term Apport | Blank (defaults to 1st day of 1st month) |
| Compute Direction | C |
| In Service From/Thru | 01.01.1997 |
| Effective From/Thru | 01.01.1997 |
| Allow Negative Depreciation | 1 |

3.4.3.2 Attaching the Formula to Depreciation Method GR

Attach the following formula to the depreciation method:

Figure 3-19 Depreciation Rule Revisions screen (Method GR)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 5 |
| Depreciation | DE7 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Defining Depreciation Methods for Italy

To define the depreciation method for Italy, this chapter contains the topic:

- [Section 4.1, "Anticipated Depreciation - Ammortamento Anticipato."](#)

4.1 Anticipated Depreciation - Ammortamento Anticipato

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

4.1.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code IT for Ammortamento Anticipato.

Figure 4–1 General User Defined Codes screen (IT)

The screenshot shows a window titled "[00051] - General User Defined Codes" with a menu bar (Functions, Tools, Help) and a toolbar. A form in the upper right contains the following fields:

- System Code: 12
- User Defined Codes: DM
- Skip To Code: IT
- Depreciation Method:

Below the form is a table with the following data:

| Code | Description | Description-2 |
|-----------------------|-----------------------------|------------------|
| IT | Italian Anticipato | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| JM | Jim's First Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| JR | Jason's Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| KC | Kev C's Depreciation Method | |
| Special Handling Code | | Hard Coded Y/N N |
| KI | Kim's Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| KM | KIM'S RULE | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| LB | Lee's test rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |

At the bottom of the window, a status bar displays: F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

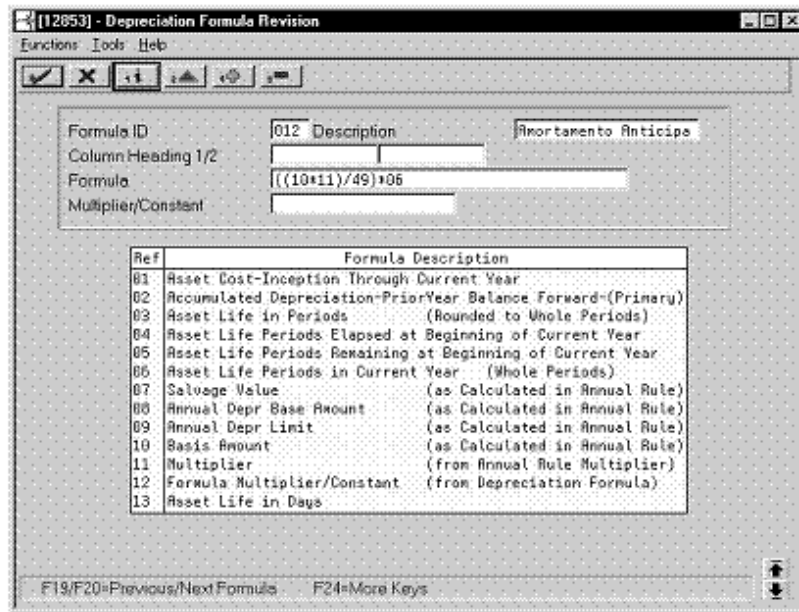
Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|--------------------|
| Code | IT |
| Description | Italian Anticipato |
| Special Handling Code | 1 |
| Hard Coded | N |

4.1.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define following formula:

Figure 4-2 Depreciation Formula Revision screen (Last Year)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------------|
| Formula ID | 012 |
| Description | Ammortamento Anticipato |
| Formula | ((10*11)/49)*06 |

4.1.3 Setting Up the Depreciation Method

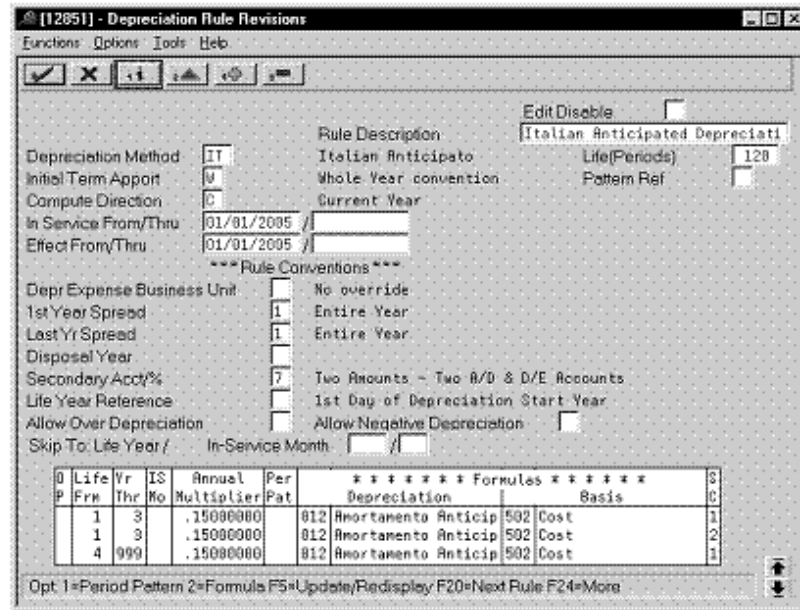
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method IT

4.1.3.1 Setting Up Reference Information and Conventions

Figure 4-3 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|----------------------------------|
| Depreciation Method | IT |
| Rule Description | Italian Anticipated Depreciation |
| Life (Periods) | 120 |
| Initial Term Apport | W |
| Compute Direction | C |
| In Service From/Thru | 01/01/2005 |
| Effective From/Thru | 01/01/2005 |
| 1st Year Spread | 1 |
| Last Year Spread | 1 |
| Secondary Acct/% | 7 |

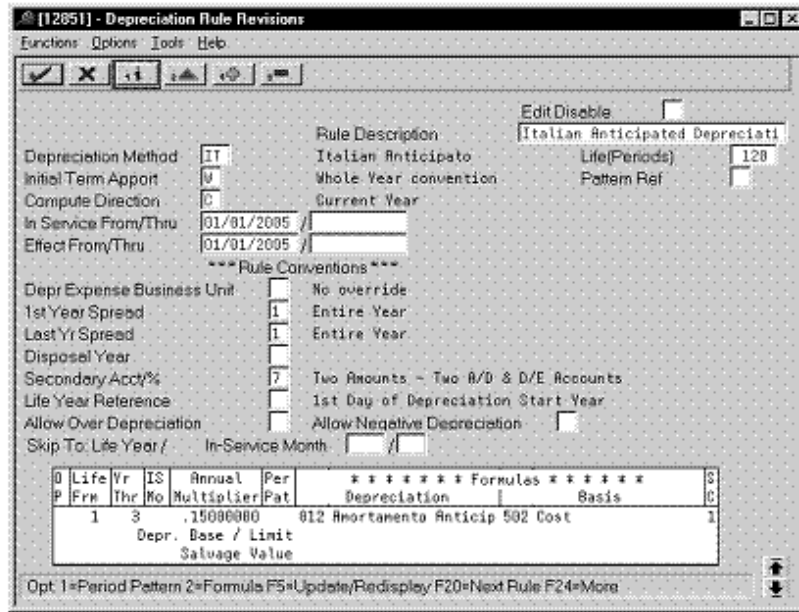
4.1.3.2 Attaching the Formulas to Depreciation Method IT

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Years 1 through 3
- Third Record: Life Years 4 through 999

First Record: Life Years 1 through 3

Figure 4-4 Depreciation Rule Revisions screen (First Record)

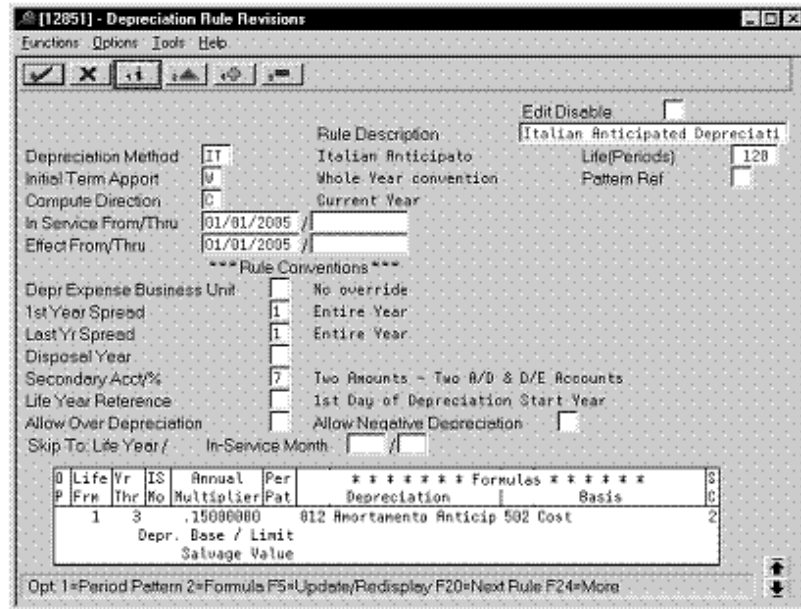


Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | 0.15000000 |
| Depreciation | 012 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 1 through 3

Figure 4-5 Depreciation Rule Revisions screen (Second Record)

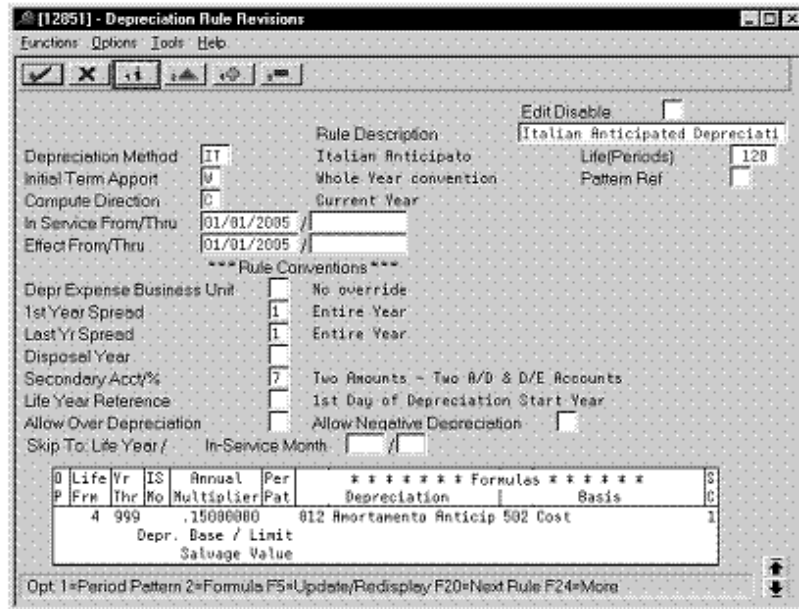


Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | 0.15000000 |
| Depreciation | 012 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 2 |

Third Record: Life Years 4 through 99

Figure 4-6 Depreciation Rule Revisions screen (Life Years 4 through 99)



Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 4 |
| Life Yr Thr | 999 |
| Annual Multiplier | 0.15000000 |
| Depreciation | 012 |
| Basis | 502 |
| SC (Secondary Percentage Continuation) | 1 |

Defining Depreciation Methods for Spain

To define the depreciation method for Spain, this chapter contains the topic:

- [Section 5.1, "Declining Balance."](#)

5.1 Declining Balance

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

5.1.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code PS for Declining Balance depreciation.

Figure 5–1 General User Defined Codes screen (PS)

System Code: 12
 User Defined Codes: DM
 Skip To Code: PS
 Depreciation Method:

| Code | Description | Description-2 |
|-----------------------|------------------------------------|------------------|
| PS | Declining Balance - Spain | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| SL | S/L for France | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| SV | Salvage Value | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| SV | Sum of the Year's Digits w/ LYRC=1 | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| TT | Test Rule | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| F1 | Tokubetsu-Shokyaku, SL | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| F2 | Tokubetsu-Shokyaku DOB | |
| Special Handling Code | 1 | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|---------------------------|
| Code | PS |
| Description | Declining Balance - Spain |
| Special Handling Code | 1 |
| Hard Coded | N |

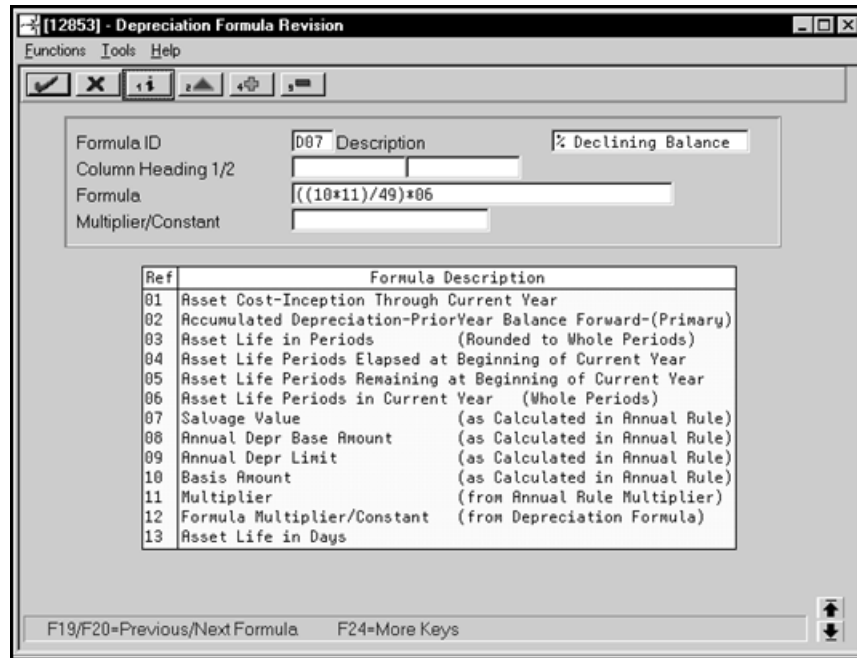
5.1.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Last year

First and Subsequent Years Depreciation

Figure 5-2 Depreciation Formula Revisions screen (First and Subsequent Years)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | D07 |
| Description | % Declining Balance |
| Formula | ((10/11)/49)*06 |

Last Year

Figure 5-3 Depreciation Formula Revision screen (Last Year)

| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-----------|
| Formula ID | D21 |
| Description | Last Year |
| Formula | 10 |

5.1.3 Setting Up the Depreciation Method

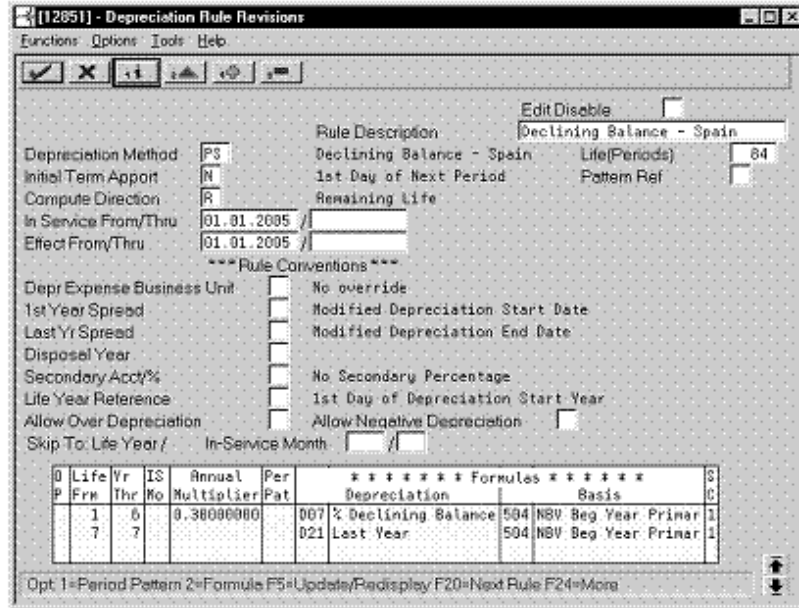
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method PS

5.1.3.1 Setting Up Reference Information and Conventions

Figure 5-4 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|---------------------------|
| Depreciation Method | PS |
| Rule Description | Declining Balance - Spain |
| Life (Periods) | 84 |
| Initial Term Apport | N |
| Compute Direction | R |
| In Service From/Thru | 01.01.2005 |
| Effective From/Thru | 01.01.2005 |

5.1.3.2 Attaching the Formulas to Depreciation Method PS

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 6
- Second Record: Life Year 7

First Record: Life Years 1 through 6

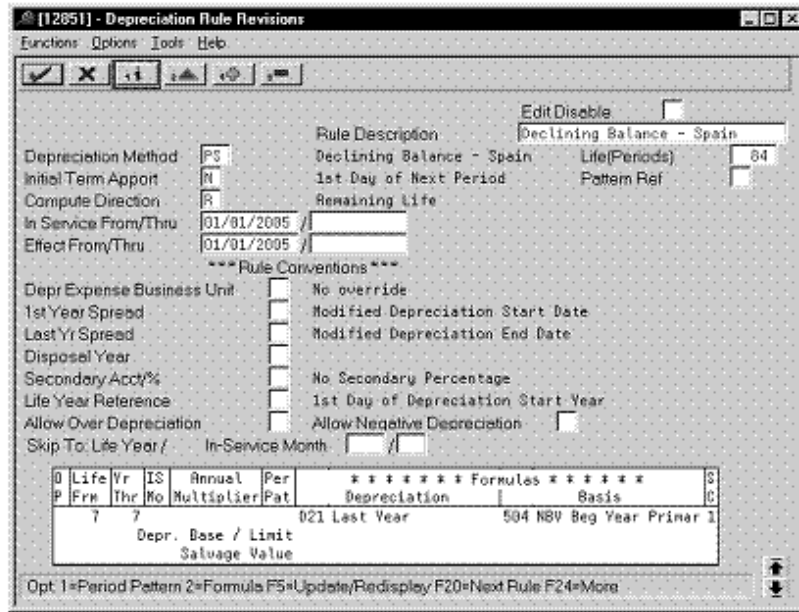
Figure 5-5 Depreciation Rule Revisions screen (Life Years 1 through 6)

Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 6 |
| Annual Multiplier | 0.30000000 |
| Depreciation | D07 |
| Basis | 504 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Year 7

Figure 5-6 Depreciation Rule Revisions screen (Life Year 7)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 7 |
| Life Yr Thr | 7 |
| Depreciation | D21 |
| Basis | 504 |
| SC (Secondary Percentage Continuation) | 1 |

Part II

Depreciation Methods for Asia and the Pacific

This part contains these chapters:

- [Chapter 6, "About Depreciation Methods for Asia and the Pacific,"](#)
- [Chapter 7, "Defining Depreciation Methods for Japan,"](#)
- [Chapter 8, "Defining Depreciation Methods for Korea."](#)

About Depreciation Methods for Asia and the Pacific

Depreciation methods for Asia and the Pacific includes the following:

- Defining depreciation methods for Japan
- Defining depreciation methods for Korea

Defining Depreciation Methods for Japan

To define the depreciation methods for Japan, this chapter contains these topics:

- [Section 7.1, "Salvage Value,"](#)
- [Section 7.2, "Zoka-Shokyaku \(Straight Line\),"](#)
- [Section 7.3, "Zoka-Shokyaku \(Double Declining Balance\),"](#)
- [Section 7.4, "Tokubetsu-Shokyaku \(Straight Line\),"](#)
- [Section 7.5, "Tokubetsu-Shokyaku \(Double Declining Balance\),"](#)
- [Section 7.6, "Warimashi-Shokyaku \(Straight Line\),"](#)
- [Section 7.7, "Warimashi-Shokyaku \(Double Declining Balance\)."](#)

7.1 Salvage Value

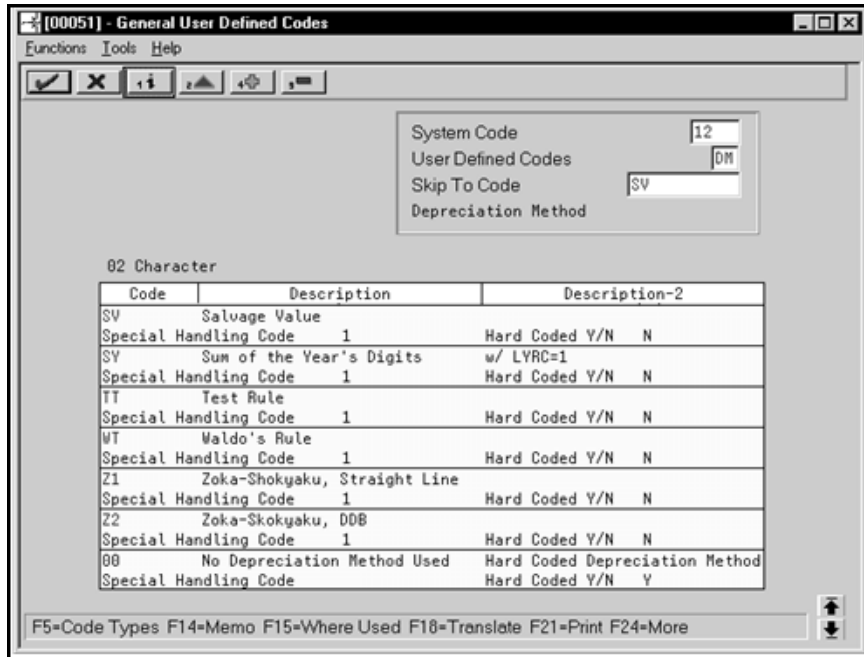
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.1.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code SV for Salvage Value.

Figure 7-1 General User Defined Codes screen (SV)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|---------------|
| Code | SV |
| Description | Salvage Value |
| Special Handling Code | 1 |
| Hard Coded | N |

7.1.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- Basis
- Salvage amount
- First to final year
- Beyond asset life

Basis

Figure 7-2 Depreciation Formula Revision screen (Basis)

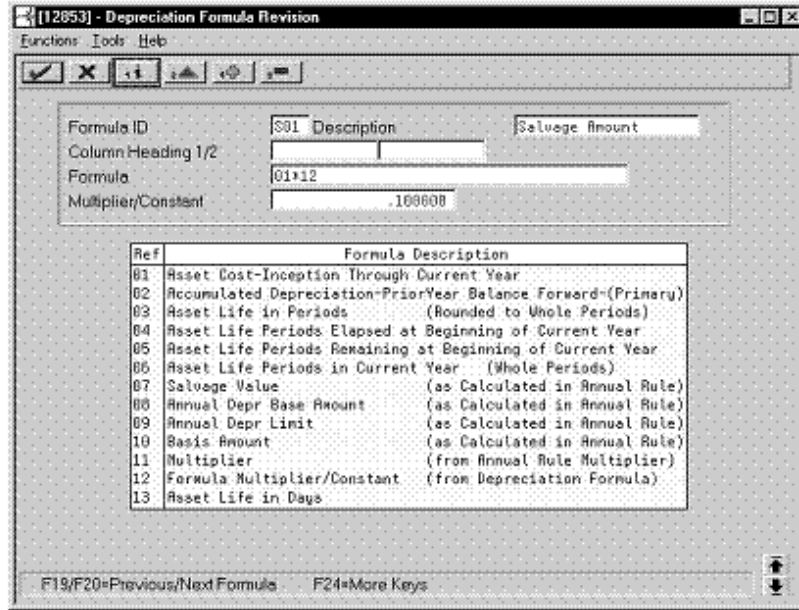
| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------|
| Formula ID | B01 |
| Description | Basis |
| Formula | 01-07 |

Salvage Amount

Figure 7-3 Depreciation Formula Revision screen (Salvage Amount)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------|
| Formula ID | S01 |
| Description | Salvage Amount |
| Formula | 01*12 |
| Multiplier/Constant | .100000 |

First to Final Year

Figure 7-4 Depreciation Formula Revision screen (First to Final Year)

| Formula ID | Description |
|---------------------|-------------------|
| A11 | 1st to Final Year |
| Column Heading 1/2 | |
| Formula | 10/03*49 |
| Multiplier/Constant | |

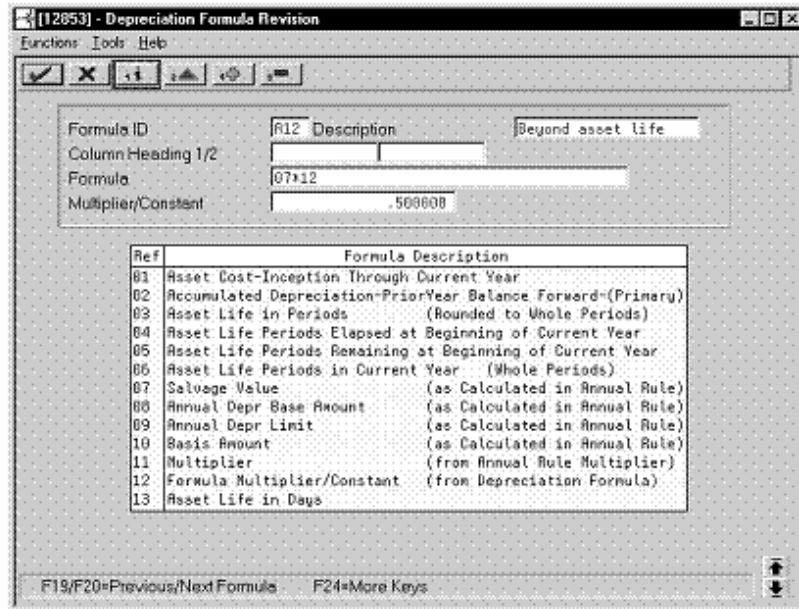
| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------|
| Formula ID | A11 |
| Description | 1st to Final Year |
| Formula | 10/03*49 |

Beyond Asset Life

Figure 7-5 Depreciation Formula Revision screen (Beyond Asset Life)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|-------------------|
| Formula ID | A12 |
| Description | Beyond asset life |
| Formula | 07*12 |
| Multiplier/Constant | .500000 |

7.1.3 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method SV

7.1.3.1 Setting Up Reference Information and Conventions

Figure 7-6 Depreciation Rule Revisions screen (Reference)

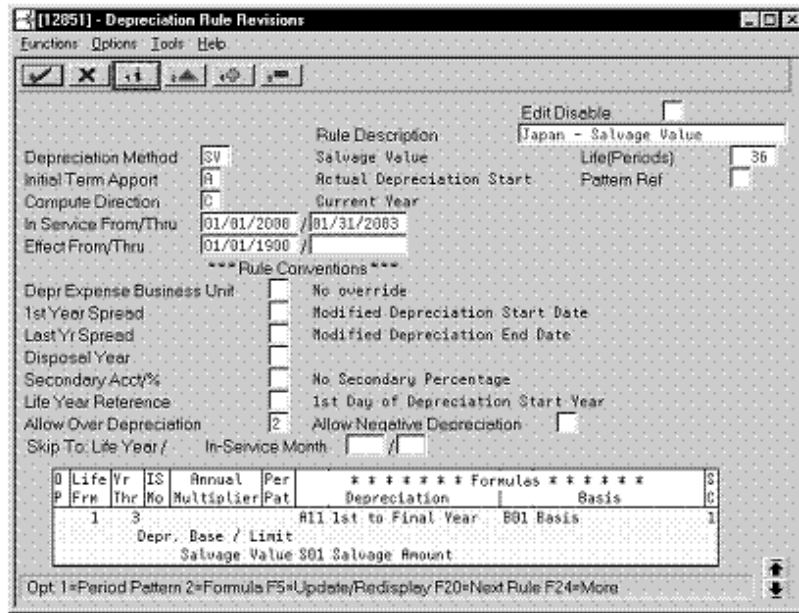
Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-----------------------|
| Depreciation Method | SV |
| Rule Description | Japan - Salvage Value |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01.01.00 / 01.31.03 |
| Allow Over Depreciation | 2 |

7.1.3.2 Attaching the Formula to Depreciation Method SV

Attach the following formula to the depreciation method:

Figure 7-7 Depreciation Rule Revisions screen (Method SV)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Depreciation | A11 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.2 Zoka-Shokyaku (Straight Line)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.2.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code Z1 for Zoka-Shokyaku, Straight Line.

Figure 7-8 General User Defined Codes screen (Z1)

System Code: 12
 User Defined Codes: 01
 Skip To Code: Z1
 Depreciation Method:

| Code | Description | Description-2 |
|-----------------------|--------------------------------|--------------------------------|
| Z1 | Zoka-Shokyaku, Straight Line | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| Z2 | Zoka-Shokyaku, DOB | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| 00 | No Depreciation Method Used | Hard Coded Depreciation Method |
| Special Handling Code | | Hard Coded Y/N Y |
| 01 | Straight Line Method | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 02 | Sum of the Year's Digits | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 03 | 125% Declining Bal w/Cross Ovr | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 04 | 150% Declining Bal w/Cross Ovr | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------------------|
| Code | Z1 |
| Description | Zoka-Shokyaku, Straight Line |
| Special Handling Code | 1 |
| Hard Coded | N |

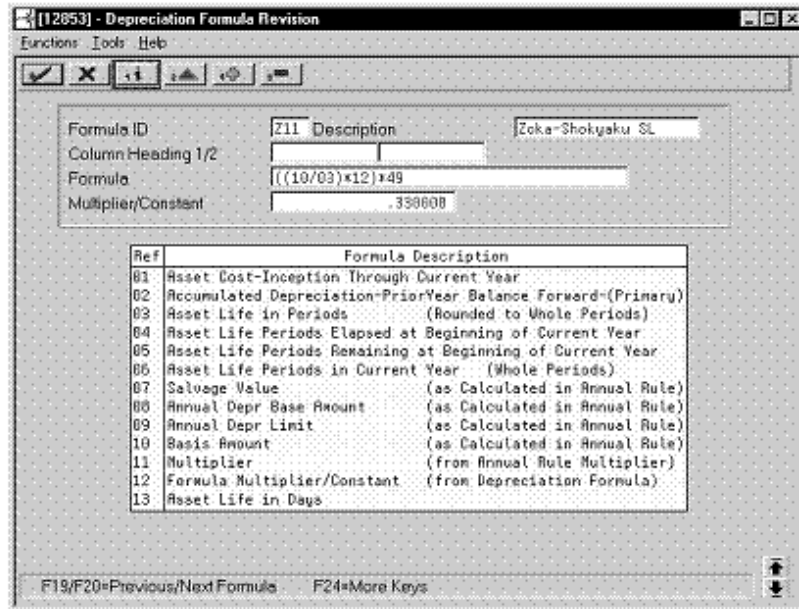
7.2.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Final year depreciation

First and Subsequent Years Depreciation

Figure 7-9 Depreciation Formula Revision screen (First and Subsequent Years)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|-------------------|
| Formula ID | Z11 |
| Description | Zoka-Shokyaku SL |
| Formula | $((10/03)*12)*49$ |
| Multiplier/Constant | .330000 |

Final Year Depreciation

Figure 7-10 Depreciation Formula Revision screen (Final Year)

| Formula ID | Description |
|---------------------|---------------------|
| Z12 | Zoka-Shokyaku Final |
| Column Heading 1/2 | |
| Formula | 10+2 |
| Multiplier/Constant | |

| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | Z12 |
| Description | Zoka-Shokyaku Final |
| Formula | 10+02 |

7.2.3 Setting Up the Depreciation Method

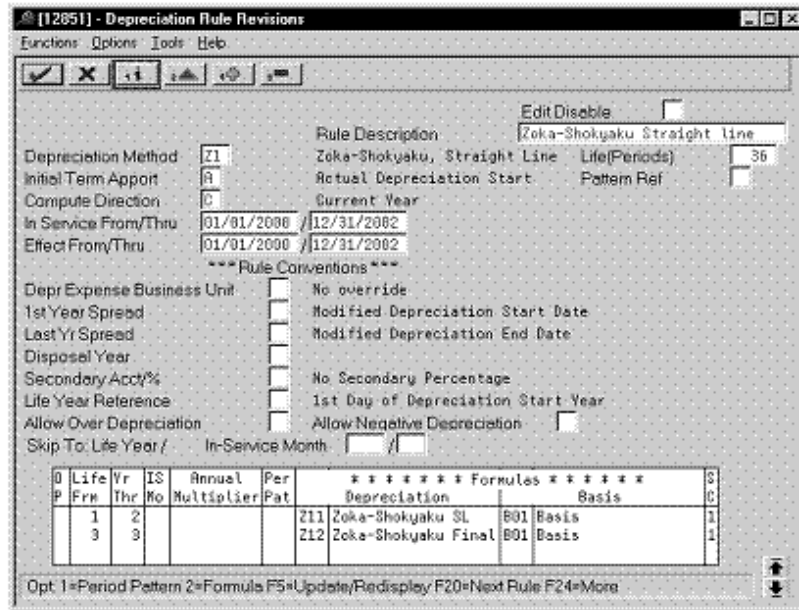
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method Z1

7.2.3.1 Setting Up Reference Information and Conventions

Figure 7-11 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|-----------------------------|
| Depreciation Method | Z1 |
| Rule Description | Zoka-Shokyaku Straight Line |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/02 |
| Effective From/Thru | 01/01/00 / 12/31/02 |

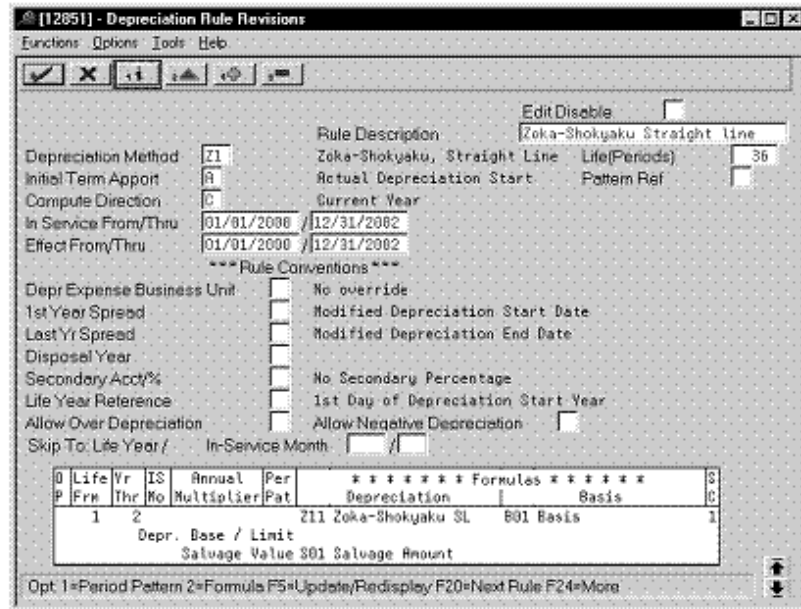
7.2.3.2 Attaching the Formulas to Depreciation Method Z1

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 2
- Second Record: Life Year 3

First Record: Life Years 1 through 2

Figure 7-12 Depreciation Rule Revisions screen (Life Years 1 through 2)

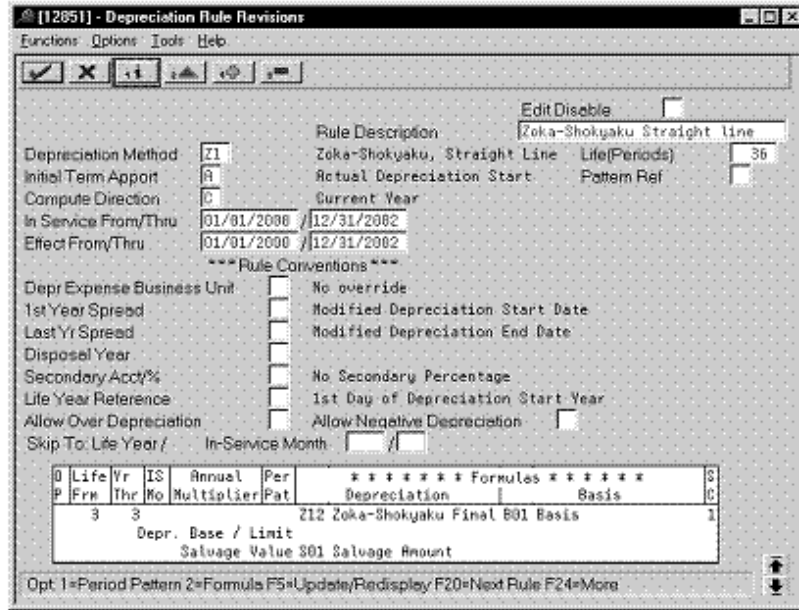


Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Depreciation | Z11 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 3

Figure 7-13 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Depreciation | Z12 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.3 Zoka-Shokyaku (Double Declining Balance)

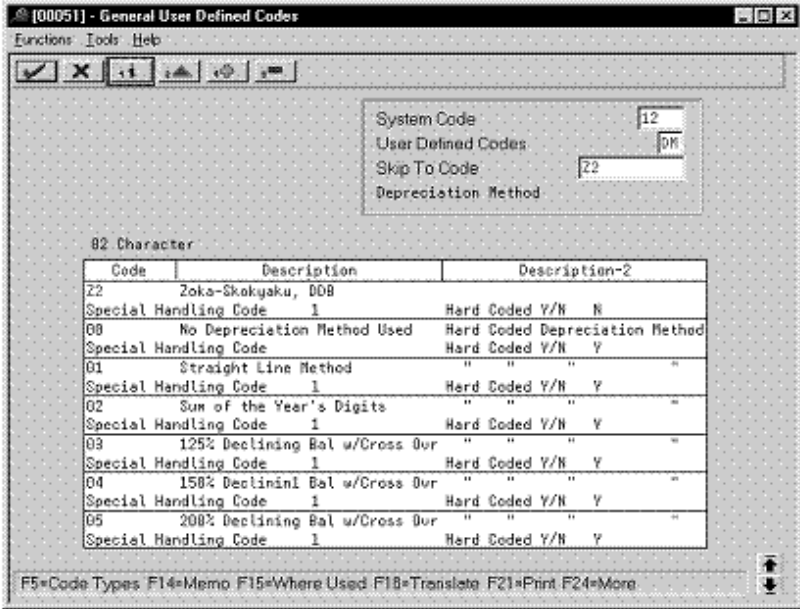
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.3.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code Z2 for Zoka-Shokyaku, Double Declining Balance.

Figure 7-14 General User Defined Codes screen (Z2)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|--------------------|
| Code | Z2 |
| Description | Zoka-Shokyaku, DDB |
| Special Handling Code | 1 |
| Hard Coded | N |

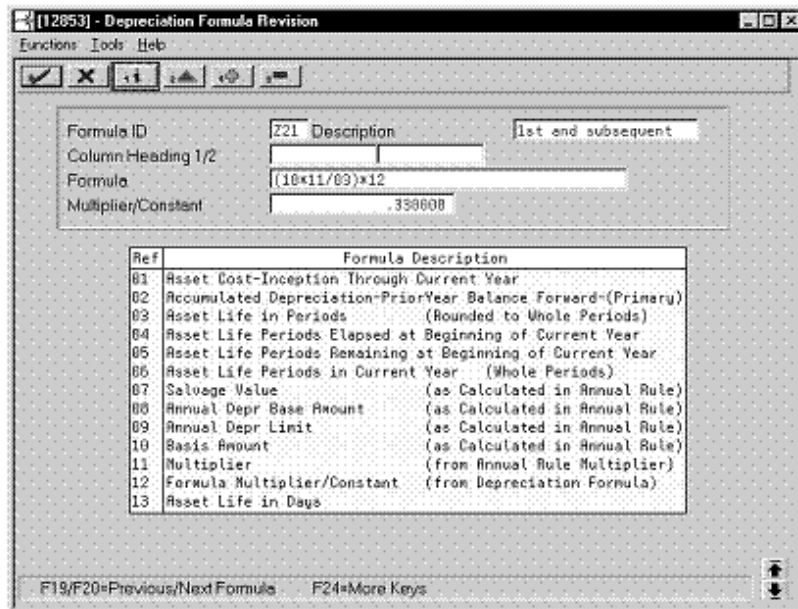
7.3.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Final year depreciation

First and Subsequent Years Depreciation

Figure 7-15 Depreciation Formula Revision screen (First and Subsequent Years)

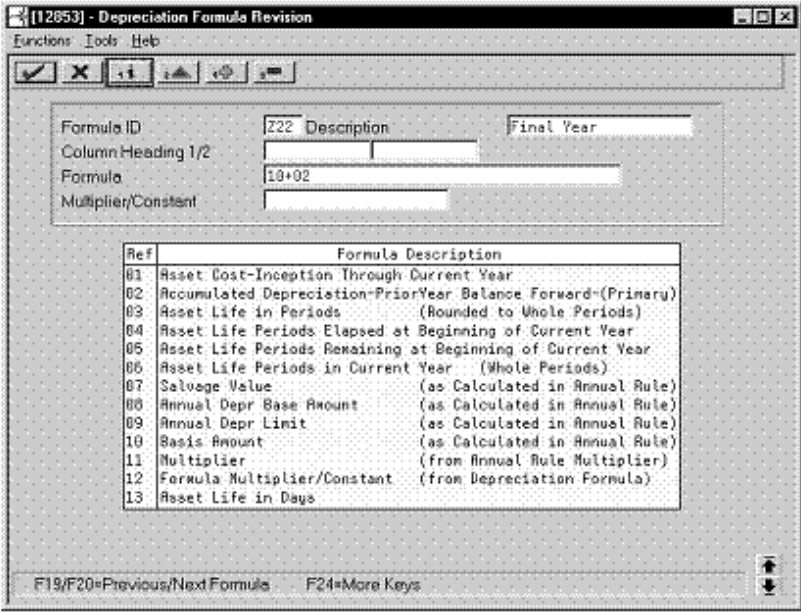


Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|---------------------------------|
| Formula ID | Z21 |
| Description | 1st and subsequent |
| Formula | $(10 \times 11 / 03) \times 12$ |
| Multiplier/Constant | .330000 |

Final Year Depreciation

Figure 7-16 Depreciation Formula Revision screen (Final Year)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|------------|
| Formula ID | Z22 |
| Description | Final Year |
| Formula | 10+02 |

7.3.3 Setting Up the Depreciation Method

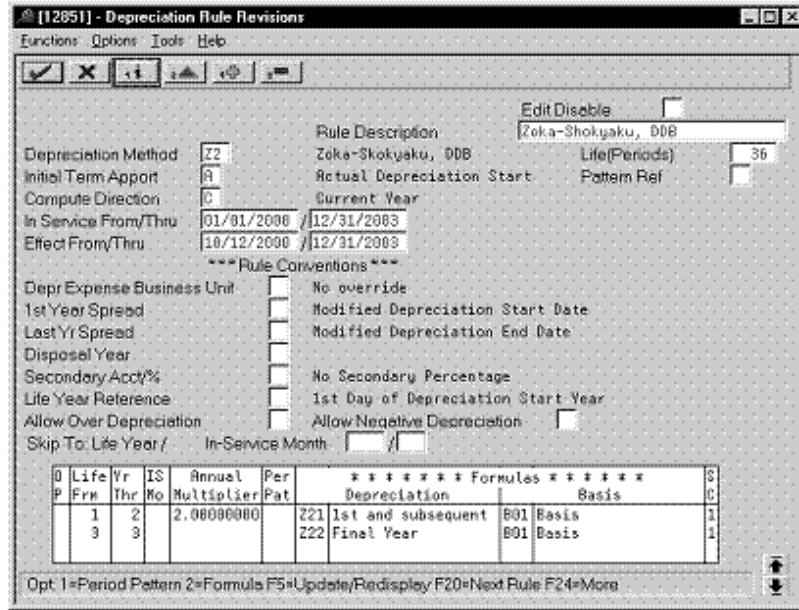
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method Z2

7.3.3.1 Setting Up Reference Information and Conventions

Figure 7-17 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|---------------------|
| Depreciation Method | Z2 |
| Rule Description | Zoka-Shokyaku, DDB |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/03 |
| Effective From/Thru | 01/01/00 / 12/31/03 |

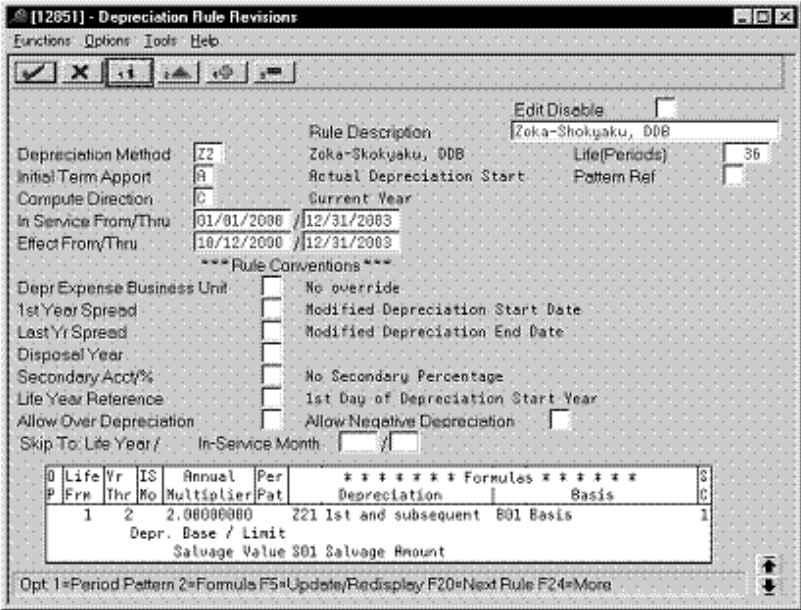
7.3.3.2 Attaching the Formulas to Depreciation Method Z2

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 2
- Second Record: Life Year 3

First Record: Life Years 1 through 2

Figure 7-18 Depreciation Rule Revisions screen (Life Years 1 and 2)

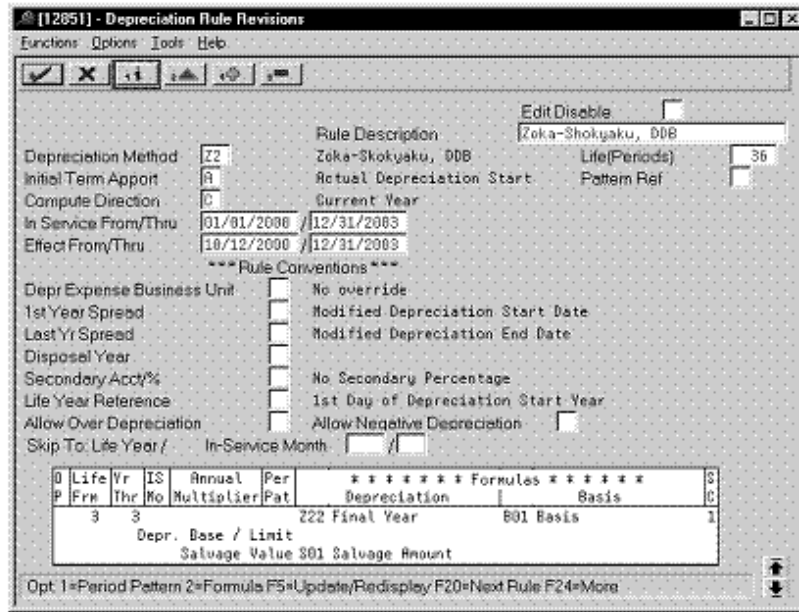


Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Annual Multiplier | 2 |
| Depreciation | Z21 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 3

Figure 7-19 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Depreciation | Z22 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.4 Tokubetsu-Shokyaku (Straight Line)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.4.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code T1 for Tokubetsu-Shokyaku, Straight Line.

Figure 7-20 General User Defined Codes screen (T1)

System Code: 12
 User Defined Codes: DM
 Skip To Code: T1
 Depreciation Method:

| Code | Description | Description-2 |
|------|-------------------------------|------------------|
| T1 | Tokubetsu-Shokiyaku, SL | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| T2 | Tokubetsu-Shokiyaku DDB | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| W1 | Waldo's Rule | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| W1 | Warinashi-Shokiyaku SL | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| W2 | Warinashi-Shokiyaku DDB | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| Z1 | Zoke-Shokiyaku, Straight Line | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| Z2 | Zoke-Shokiyaku, DDB | |
| | Special Handling Code 1 | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-------------------------|
| Code | T1 |
| Description | Tokubetsu-Shokiyaku, SL |
| Special Handling Code | 1 |
| Hard Coded | N |

7.4.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First year depreciation
- Second and subsequent years depreciation
- Final year depreciation

First Year Depreciation

Figure 7-21 Depreciation Formula Revision screen (First Year)

| Formula ID | Description | 1st year depreciatio |
|---------------------|-------------------------|----------------------|
| T11 | 1st year depreciatio | |
| Column Heading 1/2 | | |
| Formula | ((10/03)+(10/03*12))*49 | |
| Multiplier/Constant | .330000 | |

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

F19/F20=Previous/Next Formula F24=More Keys

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|---------------------------|
| Formula ID | T11 |
| Description | 1st year depreciation |
| Formula | $((10/03)+(10/03*12))*49$ |
| Multiplier/Constant | .330000 |

Second and Subsequent Years Depreciation

Figure 7-22 Depreciation Formula Revision screen (Second and Subsequent Years)

| Ref | Formula Description |
|-----|--|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-PriorYear Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|--------------------|
| Formula ID | T12 |
| Description | 2nd and subsequent |
| Formula | (10/03)*49 |

Final Year Depreciation

Figure 7-23 Depreciation Formula Revision screen (Final Year)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------------|
| Formula ID | T13 |
| Description | Final year depreciation |
| Formula | 10+02 |

7.4.3 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method T1

7.4.3.1 Setting Up Reference Information and Conventions

Figure 7-24 Depreciation Rule Revisions screen (Reference)

| D | Life | Yr | IS | Annual | Per | Formulas | C |
|---|------|------|----|------------|-----|-------------------------|-----------|
| P | Frm | Thru | No | Multiplier | Pat | Depreciation | Basis |
| | 1 | 1 | | | | T11 1st year depreciati | B01 Basis |
| | 2 | 2 | | | | T12 2nd and subsequent | B01 Basis |
| | 3 | 3 | | | | T13 Final year deprecia | B01 Basis |

Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|-------------------------|
| Depreciation Method | T1 |
| Rule Description | Tokubetsu-Shokuyaku, SL |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/02 |
| Effective From/Thru | 01/01/00 / 12/31/02 |

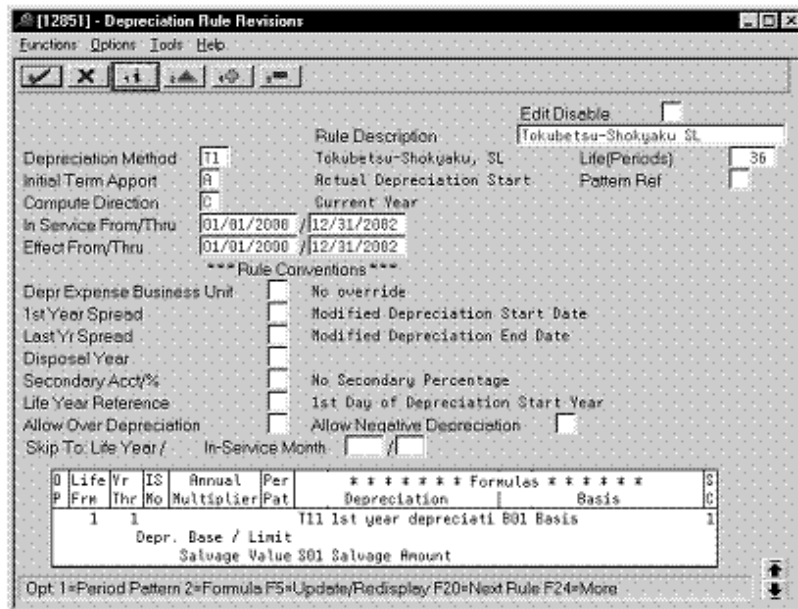
7.4.3.2 Attaching the Formulas to Depreciation Method T1

Attach the following formulas to the depreciation method:

- First Record: Life Year 1
- Second Record: Life Year 2
- Third Record: Life Year 3

First Record: Life Year 1

Figure 7-25 Depreciation Rule Revisions screen (Life Year 1)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 1 |
| Depreciation | T11 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 2

Figure 7-26 Depreciation Rule Revisions screen (Life Year 2)

*** Rule Conventions ***

| Life Yr | IS | Annual | Per | Formulas | Basis | |
|---------|-----|--------|--------------------|------------|-------|---|
| P | Frm | Thr | Mo | Multiplier | Pat | |
| 2 | 2 | T12 | 2nd and subsequent | B01 Basis | | 1 |

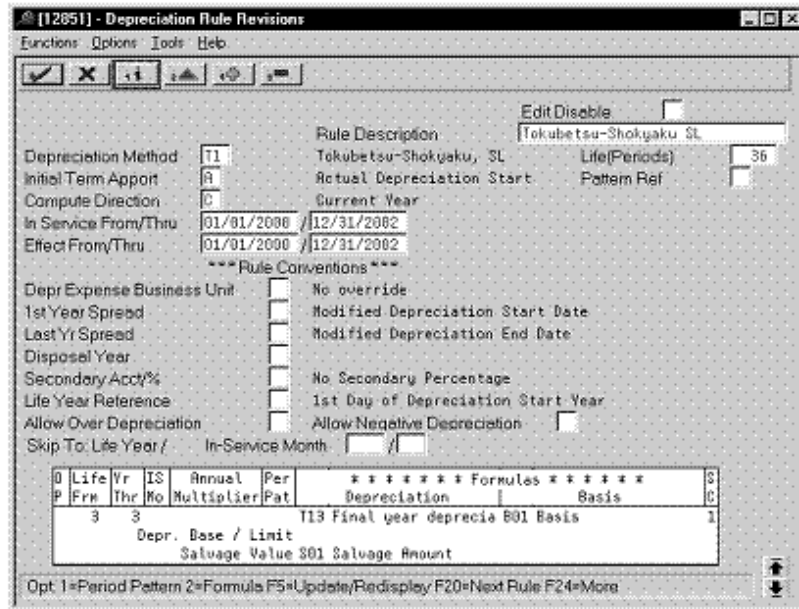
Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 2 |
| Life Yr Thr | 2 |
| Depreciation | T12 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Third Record: Life Year 3

Figure 7-27 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Depreciation | T13 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.5 Tokubetsu-Shokyaku (Double Declining Balance)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.5.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code T2 for Tokubetsu-Shokyaku, Double Declining Balance.

Figure 7-28 General User Defined Codes screen (T2)

System Code: 12
 User Defined Codes: DM
 Skip To Code: T2
 Depreciation Method:

| Code | Description | Description-2 |
|------|------------------------------|--------------------------------|
| T2 | Tokubetsu-Shokyaku DDB | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| WT | Waldo's Rule | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| Z1 | Zoke-Shokyaku, Straight Line | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| Z2 | Zoke-Shokyaku, DOB | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| 00 | No Depreciation Method Used | Hard Coded Depreciation Method |
| | Special Handling Code | Hard Coded Y/N Y |
| 01 | Straight Line Method | " " " " |
| | Special Handling Code 1 | Hard Coded Y/N Y |
| 02 | Sum of the Year's Digits | " " " " |
| | Special Handling Code 1 | Hard Coded Y/N Y |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------------|
| Code | T2 |
| Description | Tokubetsu-Shokyaku DDB |
| Special Handling Code | 1 |
| Hard Coded | N |

7.5.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First year depreciation
- Second and subsequent years depreciation
- Final year depreciation

First Year Depreciation

Figure 7-29 Depreciation Formula Revision screen (First Year)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|---|
| Formula ID | T21 |
| Description | 1st year depreciation |
| Formula | $(10 \times 11 / 03) + ((10 \times 11 / 03) \times 12)$ |
| Multiplier/Constant | .330000 |

Second and Subsequent Years Depreciation

Figure 7-30 Depreciation Formula Revision screen (Second and Subsequent Years)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-----------------------|
| Formula ID | T22 |
| Description | 2nd and subsequent |
| Formula | $(10 \times 11 / 03)$ |

Final Year Depreciation

Figure 7–31 Depreciation Formula Revision screen (Final Year)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|------------|
| Formula ID | T23 |
| Description | Final year |
| Formula | 10+02 |

7.5.3 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method T2

7.5.3.1 Setting Up Reference Information and Conventions

Figure 7-32 Depreciation Rule Revisions screen (Reference)

| D | Life | Vr | IS | Annual | Per | Depreciation | Formulas | C |
|---|------|-----|----|------------|-----|---------------------|-----------|---|
| P | Frm | Thr | No | Multiplier | Pat | | | |
| | 1 | 1 | | 2.00000000 | T21 | 1st year depreciati | B01 Basis | 1 |
| | 2 | 2 | | 2.00000000 | T22 | 2nd and subsequent | B01 Basis | 1 |
| | 3 | 3 | | 2.00000000 | T23 | Final year | B01 Basis | 1 |

Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|------------------------|
| Depreciation Method | T2 |
| Rule Description | Tokubetsu-Shokyaku DDB |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/02 |
| Effective From/Thru | 01/01/00 / 12/31/02 |

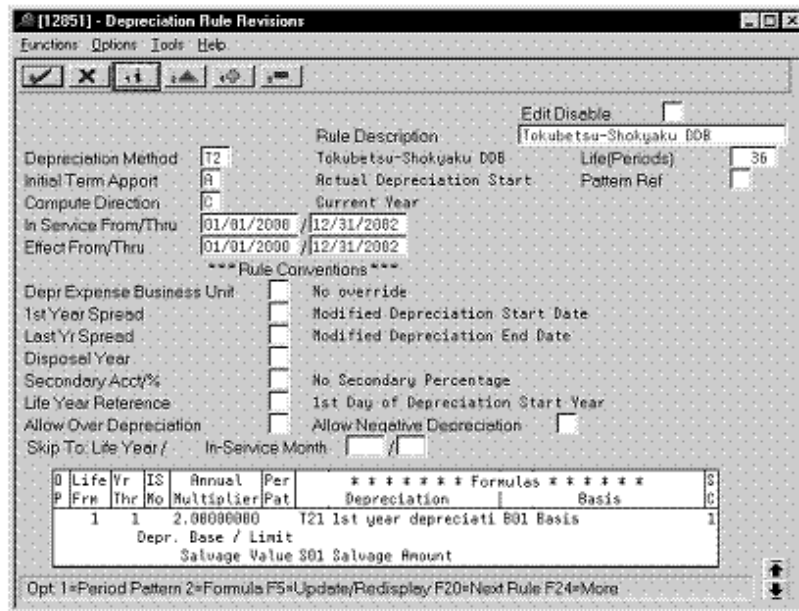
7.5.3.2 Attaching the Formulas to Depreciation Method T2

Attach the following formulas to the depreciation method:

- First Record: Life Year 1
- Second Record: Life Year 2
- Third Record: Life Year 3

First Record: Life Year 1

Figure 7-33 Depreciation Rule Revisions screen (Life Year 1)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 1 |
| Annual Multiplier | 2 |
| Depreciation | T21 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 2

Figure 7-34 Depreciation Rule Revisions screen (Life Year 2)

Functions Options Tools Help

Depreciation Method: T2
 Initial Term Apport: A
 Compute Direction: C
 In Service From/Thru: 01/01/2006 / 12/31/2002
 Effect From/Thru: 01/01/2006 / 12/31/2002

Rule Description: Tokubetsu-Shokyaku DDB
 Life(Periods): 36
 Actual Depreciation Start:
 Current Year:
 Pattern Ref:
 Edit/Disable:

*** Rule Conventions ***
 Depr Expense Business Unit: No override
 1st Year Spread: Modified Depreciation Start Date
 Last Yr Spread: Modified Depreciation End Date
 Disposal Year:
 Secondary Acct%: No Secondary Percentage
 Life Year Reference: 1st Day of Depreciation Start Year
 Allow Over Depreciation: Allow Negative Depreciation:

Skip To: Life Year / In-Service Month: 2 / 2

| Life Yr | IS | Annual Multiplier | Per | Formulas | SC |
|---------|-----|-------------------|-----|------------------------------|--------------------|
| P | Frm | Thr | Mo | Pat | Depreciation Basis |
| 2 | 2 | 2.00000000 | T2 | 2nd and subsequent B01 Basis | 1 |

Depr. Base / Limit: B01
 Salvage Value S01 Salvage Amount: S01

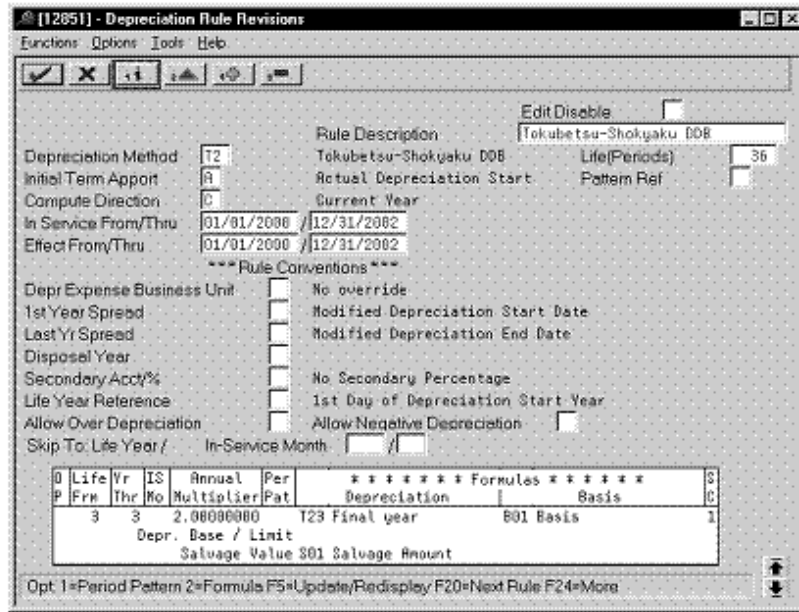
Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 2 |
| Life Yr Thr | 2 |
| Annual Multiplier | 2.00000000 |
| Depreciation | T2 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Third Record: Life Year 3

Figure 7-35 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Annual Multiplier | 2.00000000 |
| Depreciation | T23 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.6 Warimashi-Shokyaku (Straight Line)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.6.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code W1 for Warimashi-Shokyaku, Straight Line.

Figure 7-36 General User Defined Codes screen (W1)

System Code: 12
 User Defined Codes: 01
 Skip To Code: W1
 Depreciation Method:

| Code | Description | Description-2 |
|-----------------------|--------------------------------|--------------------------------|
| W1 | Warimashi-Shokyaku SL | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| Z1 | Zoka-Shokyaku, Straight Line | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| Z2 | Zoka-Shokyaku, DOB | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| 00 | No Depreciation Method Used | Hard Coded Depreciation Method |
| Special Handling Code | | Hard Coded Y/N Y |
| 01 | Straight Line Method | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 02 | Sum of the Year's Digits | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 03 | 125% Declining Bal w/Cross Dur | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated:

| Field | Value |
|-----------------------|-----------------------|
| Code | W1 |
| Description | Warimashi-Shokyaku SL |
| Special Handling Code | 1 |
| Hard Coded | N |

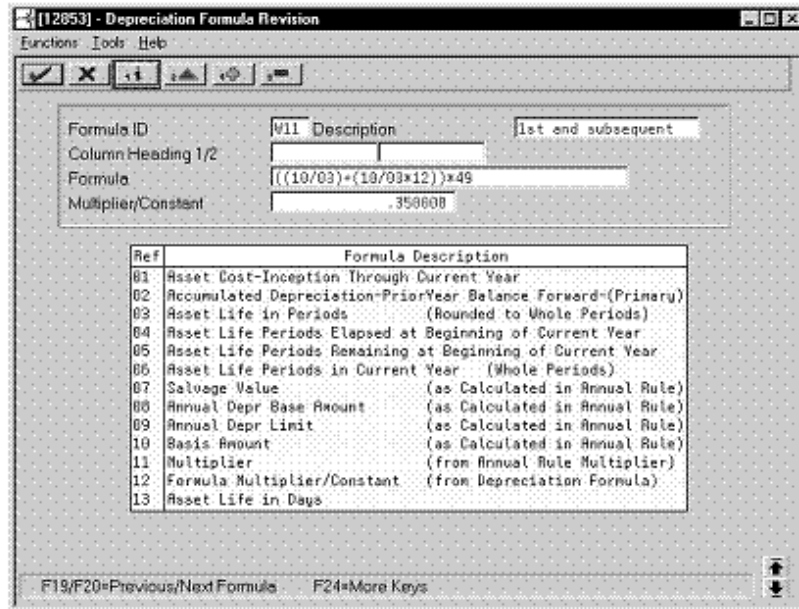
7.6.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Final year depreciation

First and Subsequent Years Depreciation

Figure 7-37 Depreciation Formula Revision screen (First and Subsequent Years)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|---------------------------|
| Formula ID | W11 |
| Description | 1st and subsequent |
| Formula | $((10/03)+(10/03*12))*49$ |
| Multiplier/Constant | .350000 |

Final Year Depreciation

Figure 7-38 Depreciation Formula Revision screen (Final Year)

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------------|
| Formula ID | W12 |
| Description | Final year depreciation |
| Formula | 10+02 |

7.6.3 Setting Up the Depreciation Method

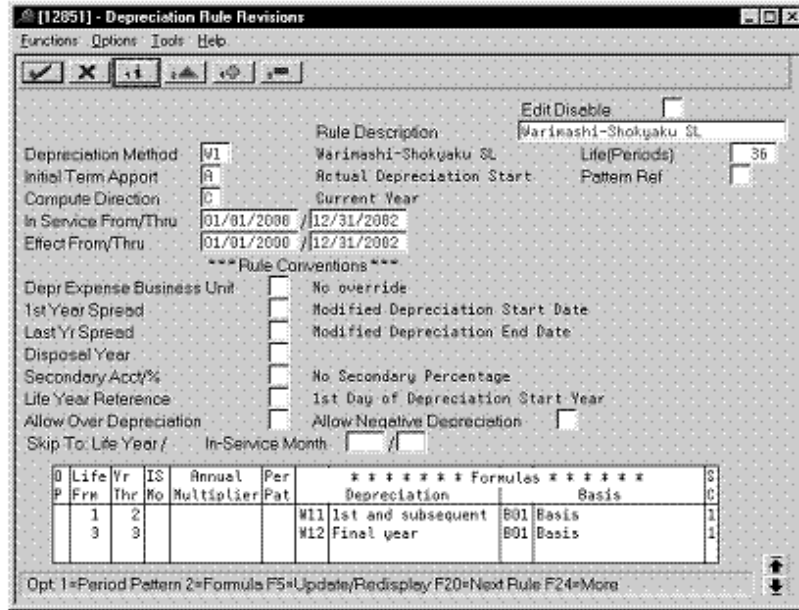
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method W1

7.6.3.1 Setting Up Reference Information and Conventions

Figure 7-39 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|-----------------------|
| Depreciation Method | W1 |
| Rule Description | Warimashi-Shokyaku SL |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/02 |
| Effective From/Thru | 01/01/00 / 12/31/02 |

7.6.3.2 Attaching the Formulas to Depreciation Method W1

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 2
- Second Record: Life Year 3

First Record: Life Years 1 through 2

Figure 7-40 Depreciation Rule Revisions screen (Life Years 1 through 2)

*** Rule Conventions ***

| Life Yr | IS | Annual | Per | Formulas | | | |
|---------|-----|--------|-----|------------|--------------------|--------------|-------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis |
| 1 | 2 | | | W11 | 1st and subsequent | B01 | Basis |

Depr. Base / Limit
Salvage Value S01 Salvage Amount

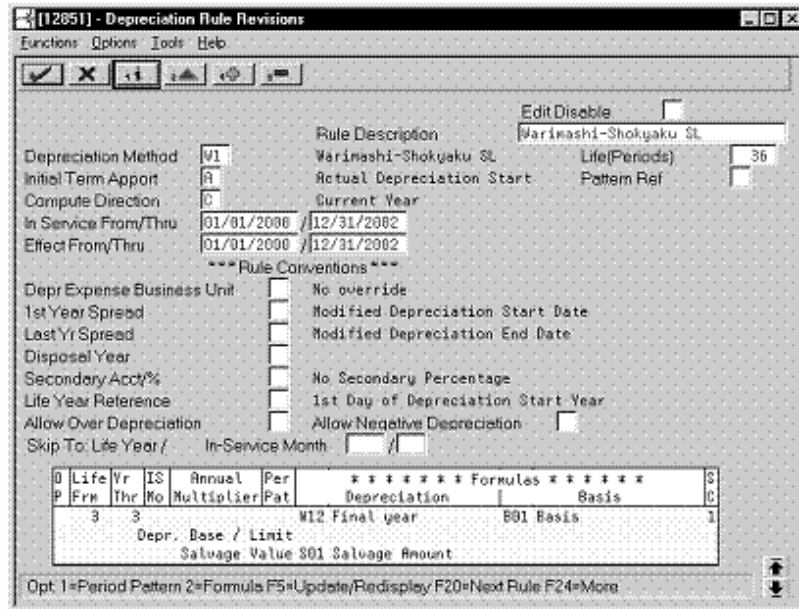
Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Depreciation | W11 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 3

Figure 7-41 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Depreciation | W12 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

7.7 Warimashi-Shokyaku (Double Declining Balance)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

7.7.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code W2 for Warimashi-Shokyaku, Double Declining Balance.

Figure 7-42 General User Defined Codes screen (W2)

System Code: 12
 User Defined Codes: DM
 Skip To Code: W2
 Depreciation Method:

| Code | Description | Description-2 |
|-----------------------|--------------------------------|--------------------------------|
| W2 | Warimashi-Shokyaku DDB | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| Z1 | Zoka-Shokyaku, Straight Line | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| Z2 | Zoka-Shokyaku, DDB | |
| Special Handling Code | 1 | Hard Coded Y/N N |
| 00 | No Depreciation Method Used | Hard Coded Depreciation Method |
| Special Handling Code | | Hard Coded Y/N Y |
| 01 | Straight Line Method | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 02 | Sum of the Year's Digits | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |
| 03 | 125% Declining Bal w/Cross Dur | " " " " " |
| Special Handling Code | 1 | Hard Coded Y/N Y |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------------|
| Code | W2 |
| Description | Warimashi-Shokyaku DDB |
| Special Handling Code | 1 |
| Hard Coded | N |

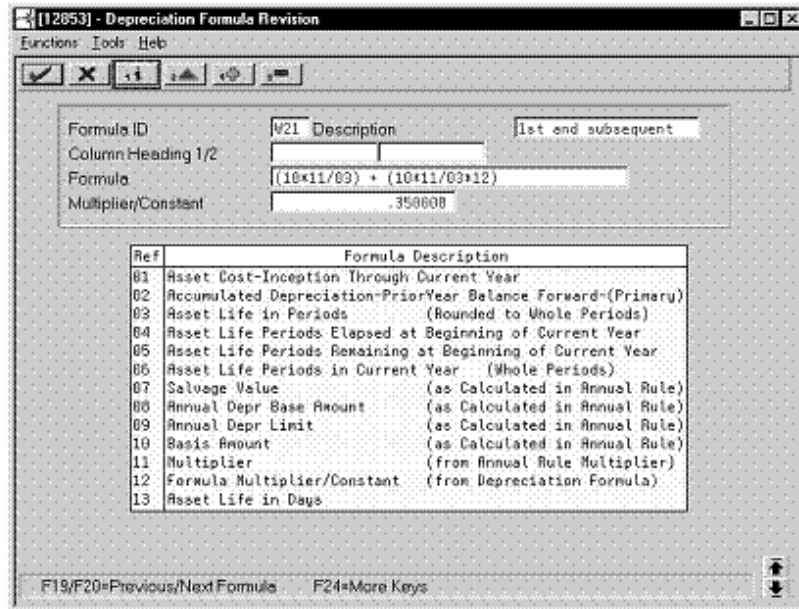
7.7.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- First and subsequent years depreciation
- Final year depreciation

First and Subsequent Years Depreciation

Figure 7-43 Depreciation Formula Revision screen (First and Subsequent Years)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|---|
| Formula ID | W21 |
| Description | 1st and subsequent years |
| Formula | $(10 \times 11 / 03) + (10 \times 11 / 03 \times 12)$ |
| Multiplier/Constant | .350000 |

Final Year Depreciation

Figure 7-44 Depreciation Formula Revision screen (Final Year)

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|------------|
| Formula ID | W22 |
| Description | Final year |
| Formula | 10+02 |

7.7.3 Setting Up the Depreciation Method

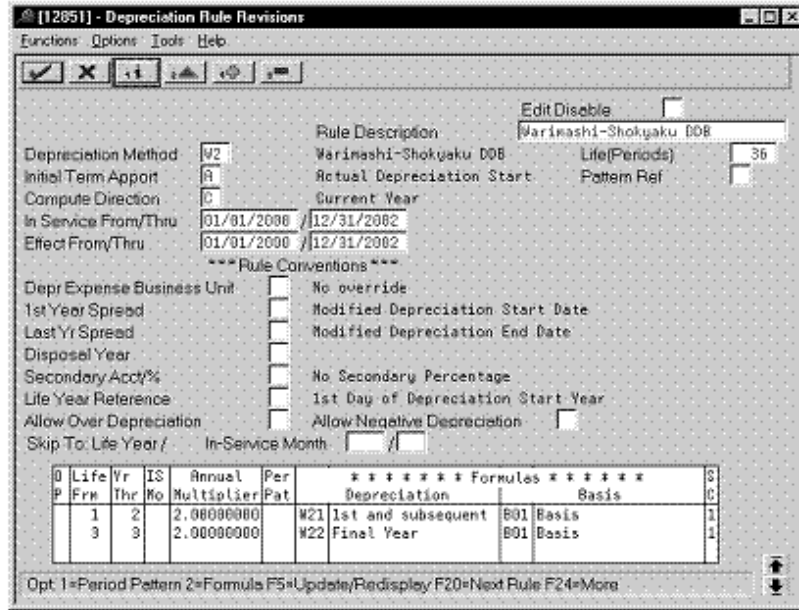
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method W2

7.7.3.1 Setting Up Reference Information and Conventions

Figure 7-45 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|----------------------|------------------------|
| Rule Description | Warimashi-Shokyaku DDB |
| Depreciation Method | W2 |
| Life (Periods) | 36 |
| Initial Term Apport | A |
| Compute Direction | C |
| In Service From/Thru | 01/01/00 / 12/31/02 |
| Effective From/Thru | 01/01/00 / 12/31/02 |

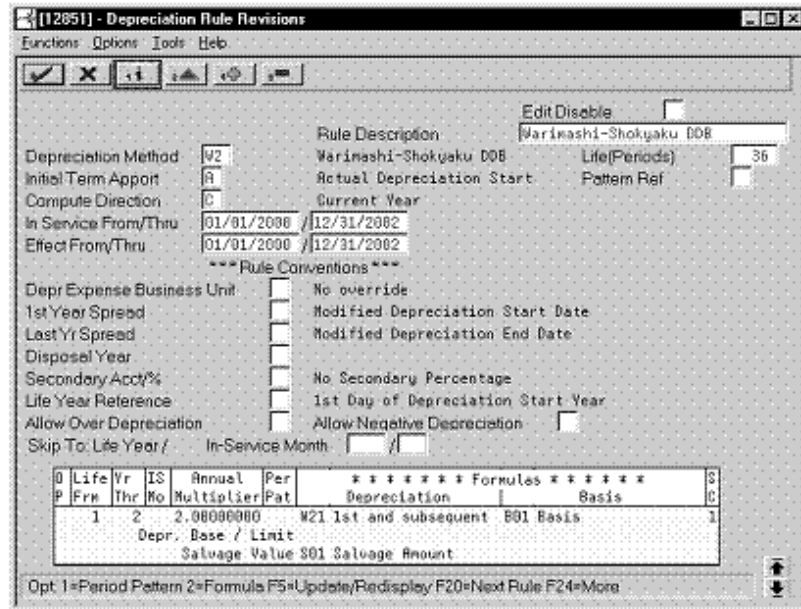
7.7.3.2 Attaching the Formulas to Depreciation Method W2

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 2
- Second Record: Life Year 3

First Record: Life Years 1 through 2

Figure 7-46 Depreciation Rule Revisions screen (Life Years 1 through 2)

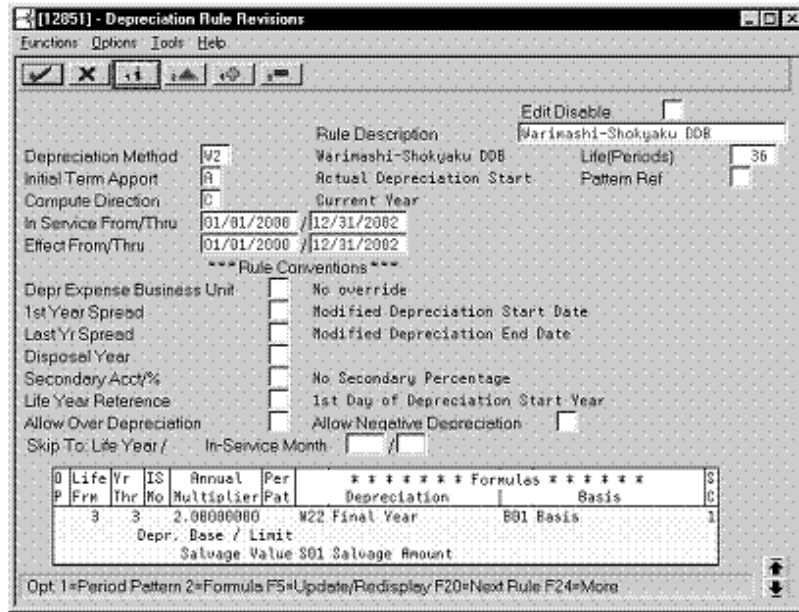


Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Annual Multiplier | 2.00000000 |
| Depreciation | W21 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Second Record: Life Year 3

Figure 7-47 Depreciation Rule Revisions screen (Life Year 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|------------|
| Life Yr Frm | 3 |
| Life Yr Thr | 3 |
| Annual Multiplier | 2.00000000 |
| Depreciation | W22 |
| Basis | B01 |
| SC (Secondary Percentage Confirmation) | 1 |
| Salvage Value | S01 |

Defining Depreciation Methods for Korea

To define the depreciation methods for Korea, this chapter contains these topics:

- Section 8.1, "Frequently Used Depreciation Formulas,"
- Section 8.2, "Normal (Declining Balance),"
- Section 8.3, "Normal (Straight Line),"
- Section 8.4, "Prior to 95 (Declining Balance),"
- Section 8.5, "Prior to 95 (Straight Line),"
- Section 8.6, "Revaluation (Declining Balance),"
- Section 8.7, "Revaluation (Straight Line),"
- Section 8.8, "Capital Expenditure (Declining Balance),"
- Section 8.9, "Capital Expenditure (Straight Line),"
- Section 8.10, "Special Rate (Declining Balance),"
- Section 8.11, "Special Rate (Straight Line),"
- Section 8.12, "Mid-Year (Declining Balance),"
- Section 8.13, "Mid-Year (Straight Line)."

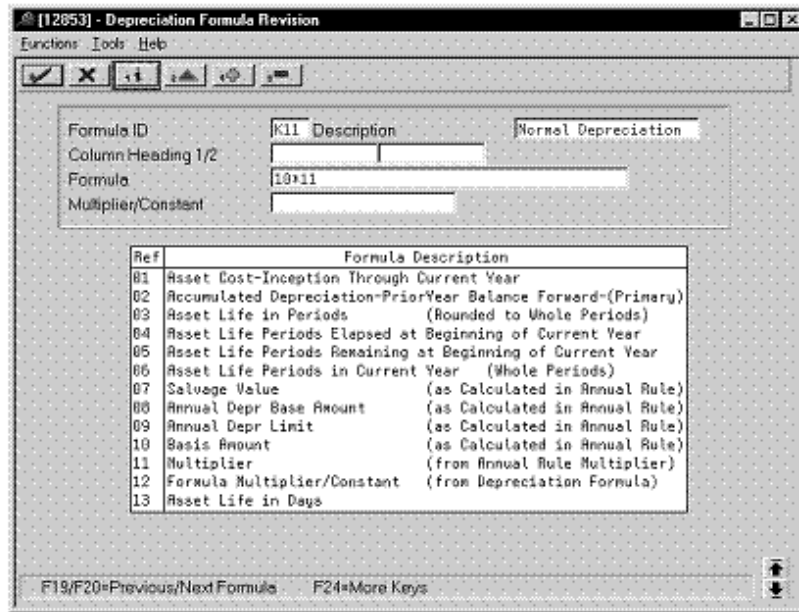
8.1 Frequently Used Depreciation Formulas

On Depreciation Formula Revision, define the following formulas for use with most depreciation methods:

- Normal Depreciation
- Basis Declining Balance
- Latter Half Year Depreciation
- Last Year Depreciation to Salvage

8.1.1 Normal Depreciation

Figure 8-1 Depreciation Formula Revision screen (Normal)

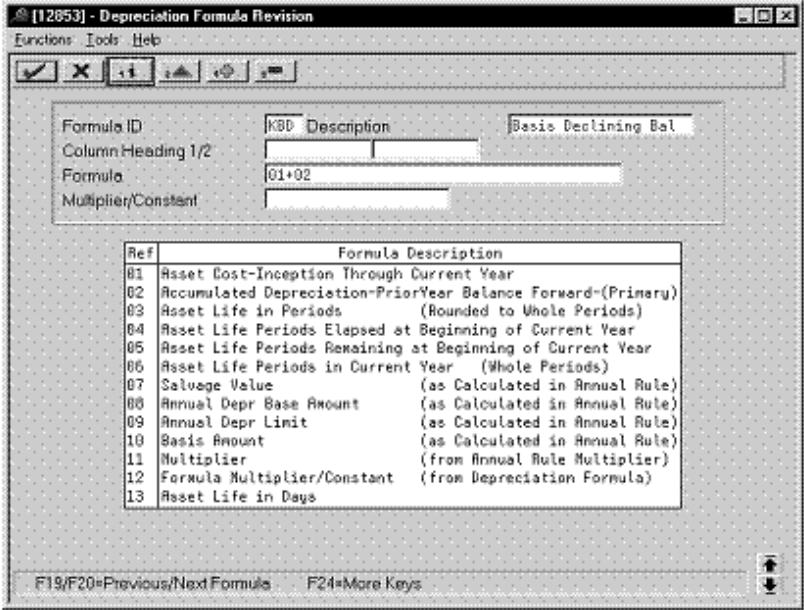


Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | K11 |
| Description | Normal Depreciation |
| Formula | 10*11 |

8.1.2 Basis Declining Balance

Figure 8-2 Depreciation Formula Revision screen (Basis Declining Balance)

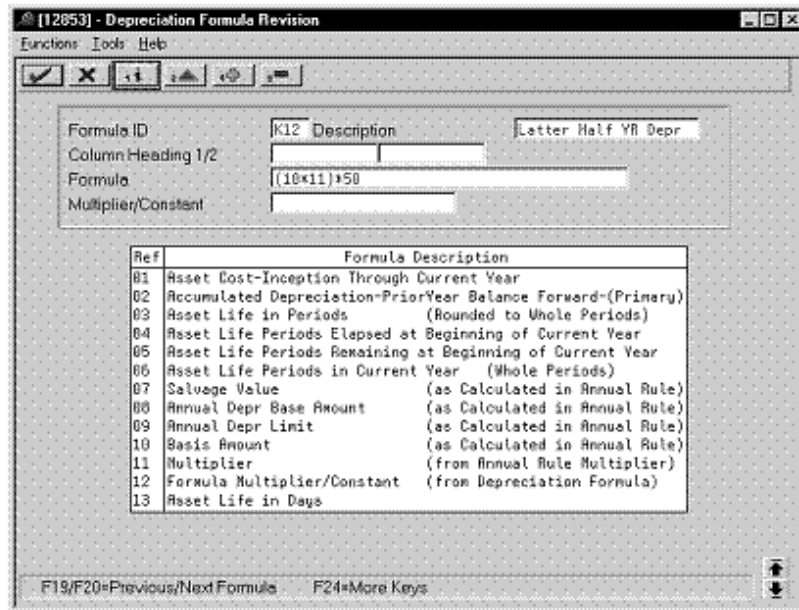


Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | KBD |
| Description | Basis Declining Bal |
| Formula | 01+02 |

8.1.3 Latter Half Year Depreciation

Figure 8-3 Depreciation Formula Revision screen (Latter Half Year)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------|---------------------|
| Formula ID | K12 |
| Description | Latter Half Yr Depr |
| Formula | (10*11)*50 |

8.1.4 Last Year Depreciation to Salvage

Figure 8-4 Depreciation Formula Revision screen (Last Year to Salvage)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|-------------------|
| Formula ID | K22 |
| Description | Lst Yr Dpr to Slv |
| Formula | 01+02-46 |

8.2 Normal (Declining Balance)

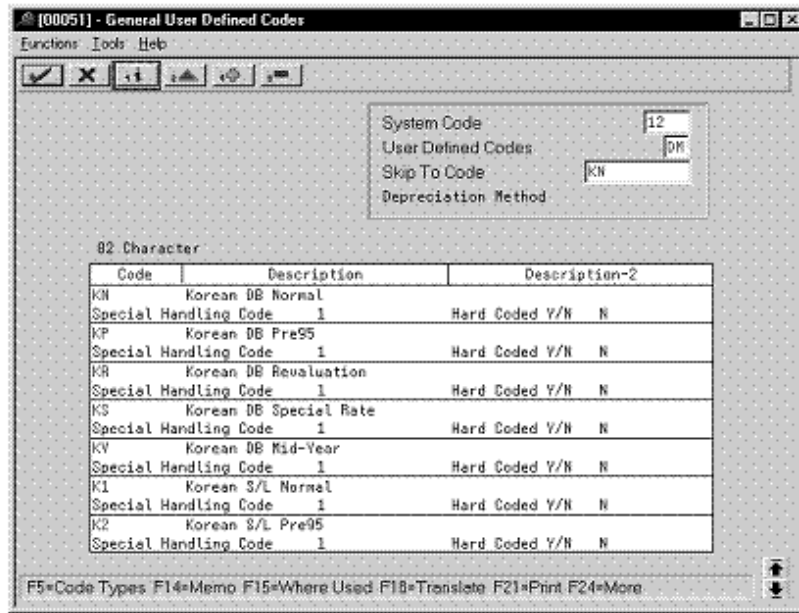
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.2.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KN for Korean Declining Balance Normal.

Figure 8-5 General User Defined Codes screen (KN)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------|
| Code | KN |
| Description | Korean DB Normal |
| Special Handling Code | 1 |
| Hard Coded | N |

8.2.2 Setting Up the Depreciation Method

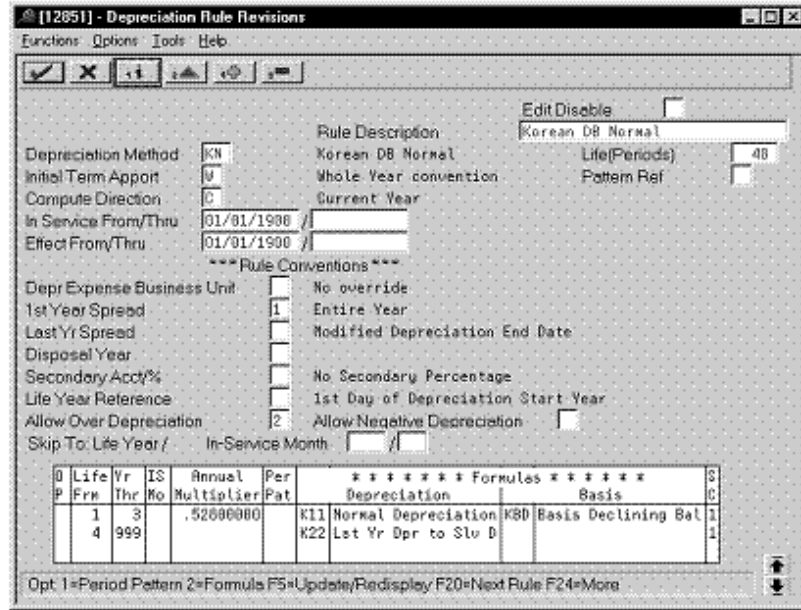
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KN

8.2.2.1 Setting Up Reference Information and Conventions

Figure 8-6 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|------------------|
| Depreciation Method | KN |
| Rule Description | Korean DB Normal |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

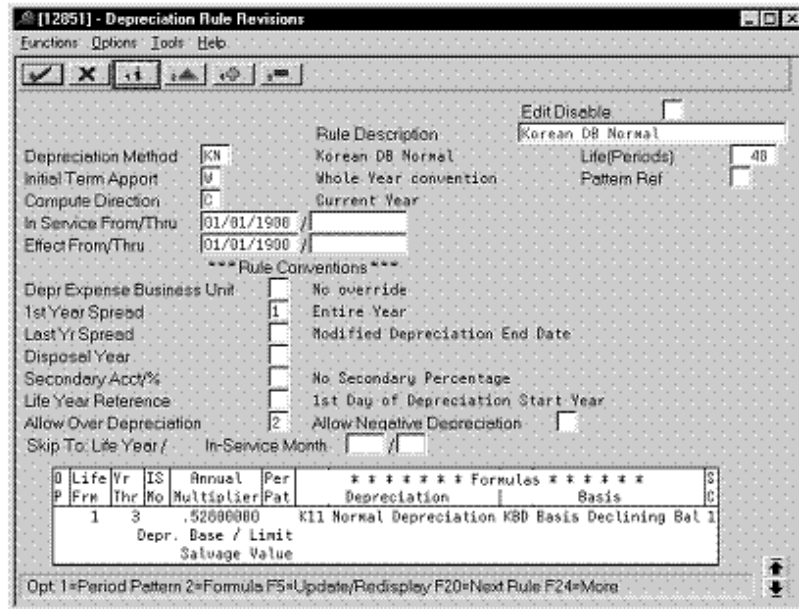
8.2.2.2 Attaching the Formulas to Depreciation Method KN

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Years 4 through 999

First Record: Life Years 1 through 3

Figure 8-7 Depreciation Rule Revisions screen (Life Years 1 through 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .52800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 4 through 999

Figure 8–8 Depreciation Rule Revisions screen (Life Years 4 through 999)

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 4 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.3 Normal (Straight Line)

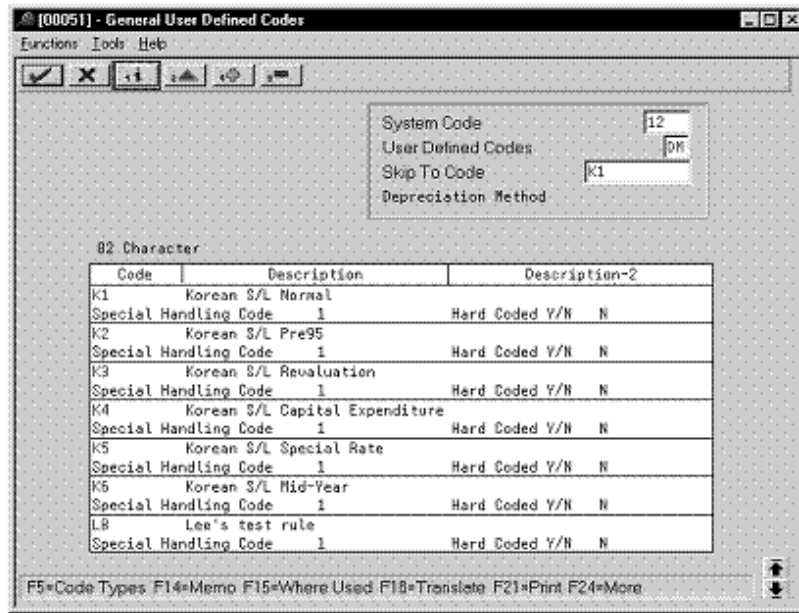
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.3.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K1 for Korean Straight Line Normal.

Figure 8–9 General User Defined Codes screen (K1)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-------------------|
| Code | K1 |
| Description | Korean S/L Normal |
| Special Handling Code | 1 |
| Hard Coded | N |

8.3.2 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K1

8.3.2.1 Setting Up Reference Information and Conventions

Figure 8–10 Depreciation Rule Revisions screen (Reference)

The screenshot shows the 'Depreciation Rule Revisions' window with the following fields and values:

- Depreciation Method: K1
- Rule Description: Korean S/L Normal
- Initial Term Apport: W
- Life(Periods): 48
- Compute Direction: C
- Whole Year convention:
- Current Year:
- In Service From/Thru: 01/01/1998 /
- Effect From/Thru: 01/01/1990 /

*** Rule Conventions ***

- Depr Expense Business Unit: No override
- 1st Year Spread: 1 Entire Year
- Last Yr Spread: Modified Depreciation End Date
- Disposal Year:
- Secondary Acct%: 2 Lesser of Amount 1 or 2
- Life Year Reference: 1st Day of Depreciation Start Year
- Allow Over Depreciation: Allow Negative Depreciation:
- Skip To: Life Year / In-Service Month: /

| D | Life | Vr | IS | Annual | Per | ***** Formulas ***** | | C |
|---|------|-----|----|------------|-----|----------------------|-------|---|
| P | Frm | Thr | No | Multiplier | Pat | Depreciation | Basis | C |
| | 1 | 3 | | .25000000 | K11 | Normal Depreciation | | 1 |
| | 4 | 999 | | | K22 | 1st Yr Dpr to Slv D | | 1 |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|-------------------|
| Depreciation Method | K1 |
| Rule Description | Korean S/L Normal |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Secondary Acct/% | 2 |

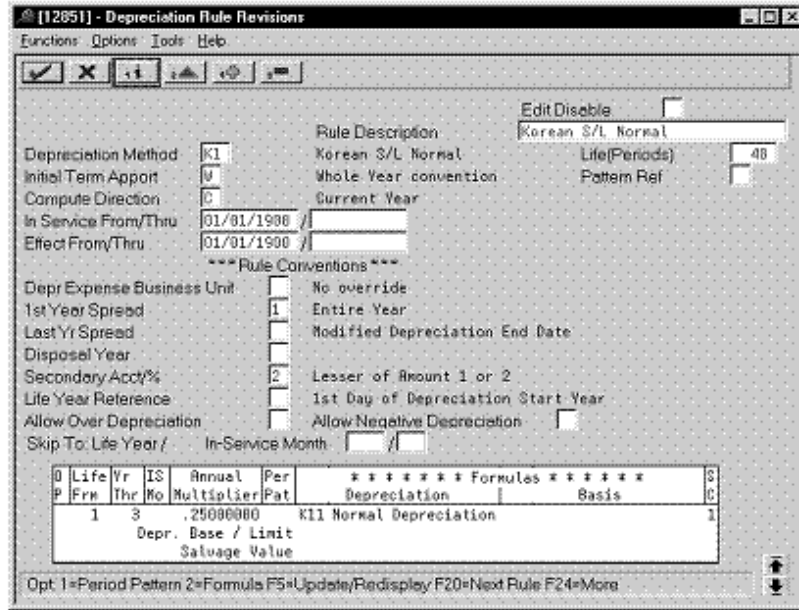
8.3.2.2 Attaching the Formulas to Depreciation Method K1

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Years 4 through 999

First Record: Life Years 1 through 3

Figure 8-11 Depreciation Rule Revisions screen (Life Years 1 through 3)

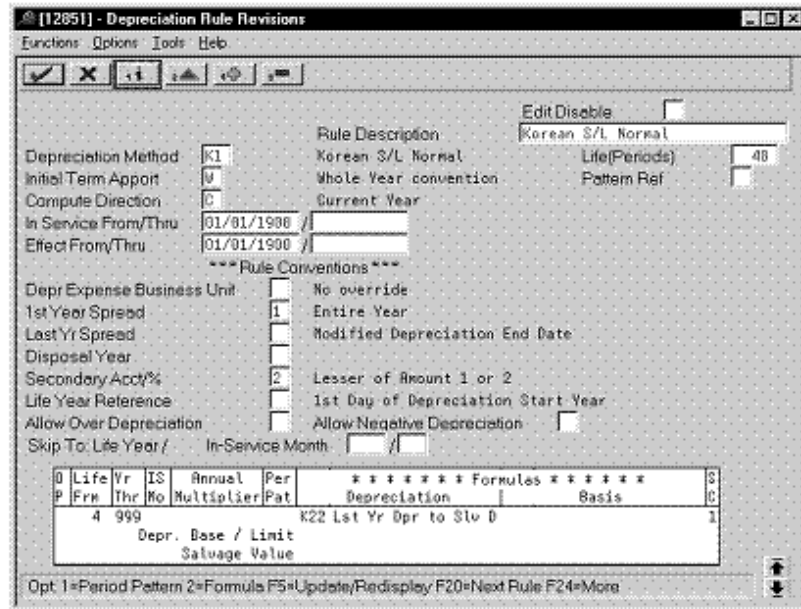


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 4 through 999

Figure 8-12 Depreciation Rule Revisions screen (Life Years 4 through 999)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 4 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.4 Prior to 95 (Declining Balance)

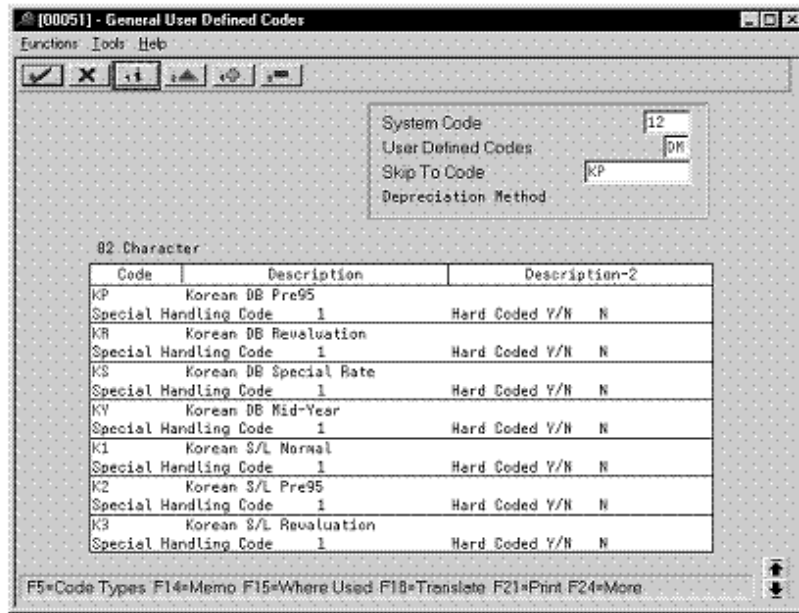
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

8.4.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KP for Korean Declining Balance Prior to 95.

Figure 8-13 General User Defined Codes screen (KP)



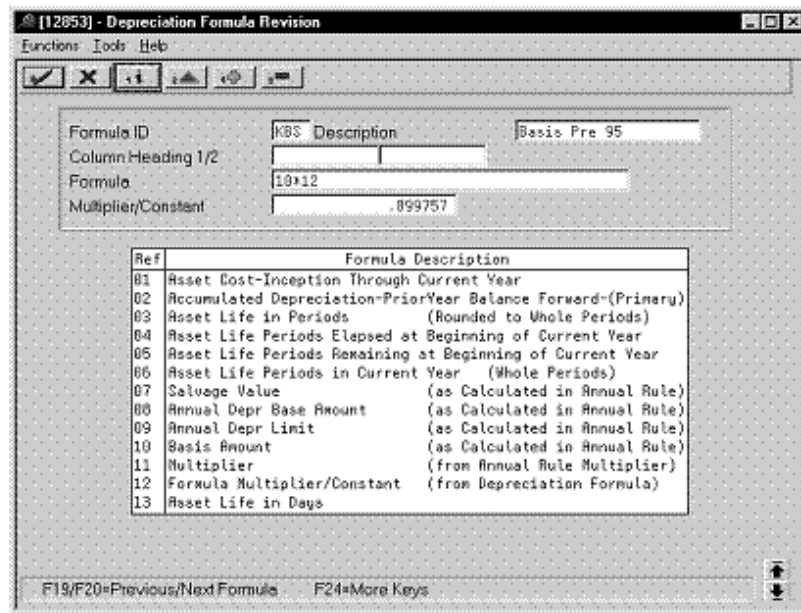
Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-----------------|
| Code | KP |
| Description | Korean DB Pre95 |
| Special Handling Code | 1 |
| Hard Coded | N |

8.4.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 8–14 Depreciation Formula Revision screen (Formula KBS)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|--------------|
| Formula ID | KBS |
| Description | Basis Pre 95 |
| Formula | 10*12 |
| Multiplier/Constant | .099757 |

8.4.3 Setting Up the Depreciation Method

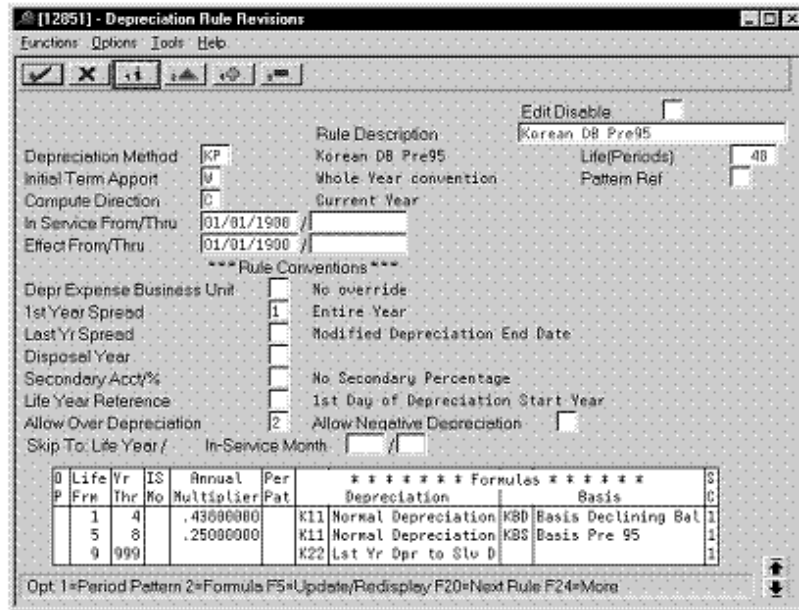
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KP

8.4.3.1 Setting Up Reference Information and Conventions

Figure 8-15 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-----------------|
| Depreciation Method | KP |
| Rule Description | Korean DB Pre95 |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

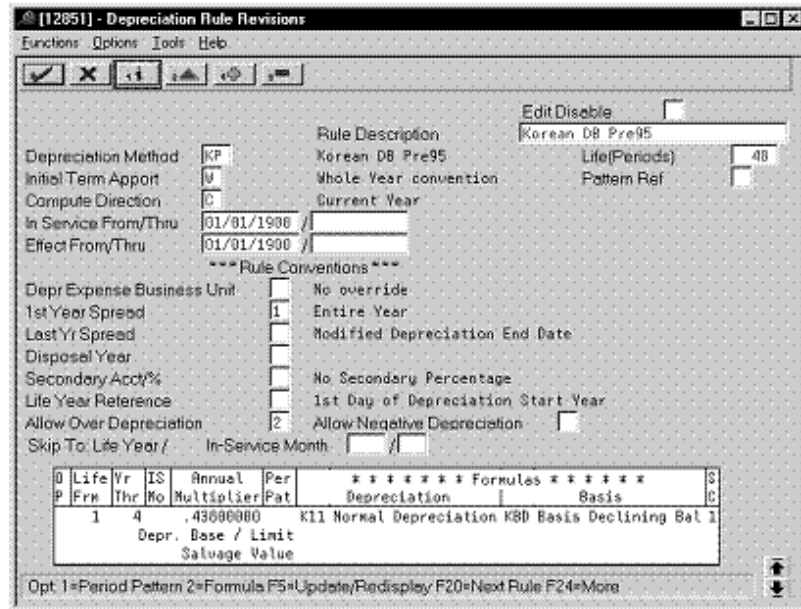
8.4.3.2 Attaching the Formulas to Depreciation Method KP

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 4
- Second Record: Life Years 5 through 8
- Third Record: Life Years 9 through 999

First Record: Life Years 1 through 4

Figure 8-16 Depreciation Rule Revisions screen (Life Years 1 through 4)

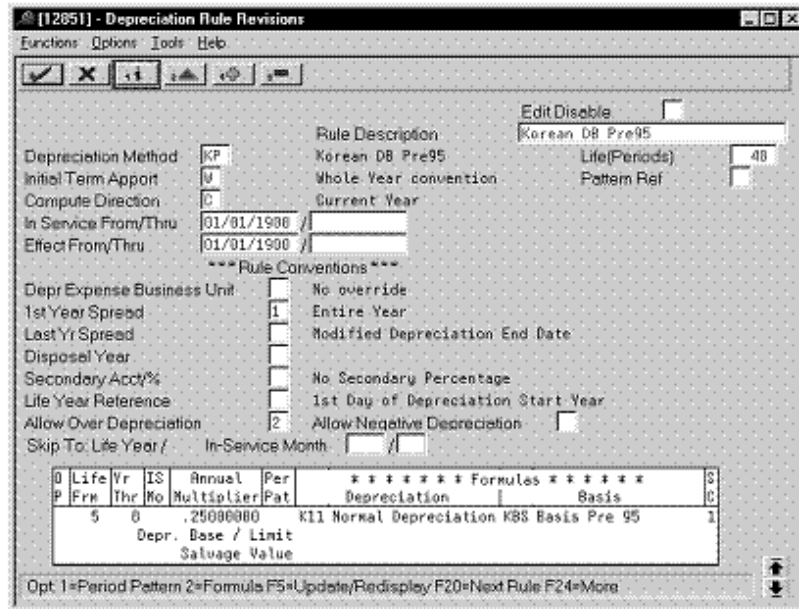


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 4 |
| Annual Multiplier | .43800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 5 through 8

Figure 8-17 Depreciation Rule Revisions screen (Life Years 5 through 8)

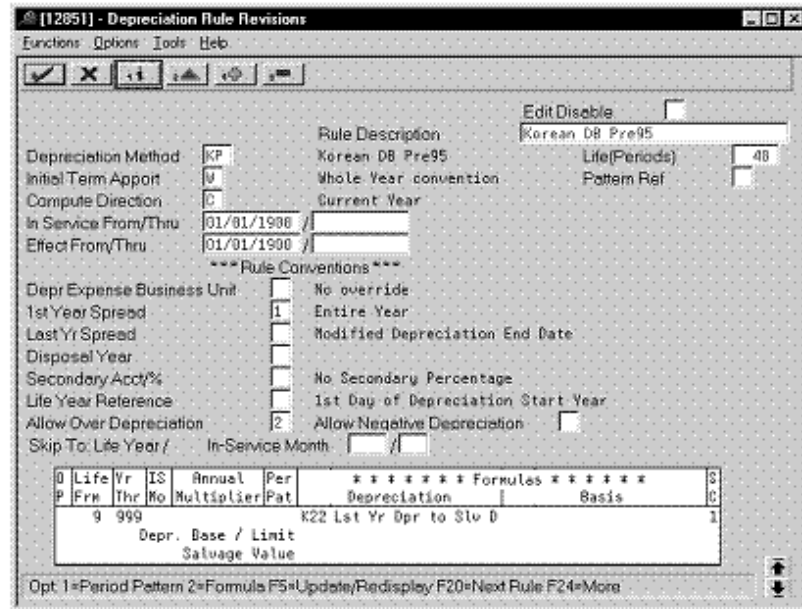


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 5 |
| Life Yr Thr | 8 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| Basis | KBS |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 9 through 999

Figure 8-18 Depreciation Rule Revisions screen (Life Years 9 through 999)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 9 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.5 Prior to 95 (Straight Line)

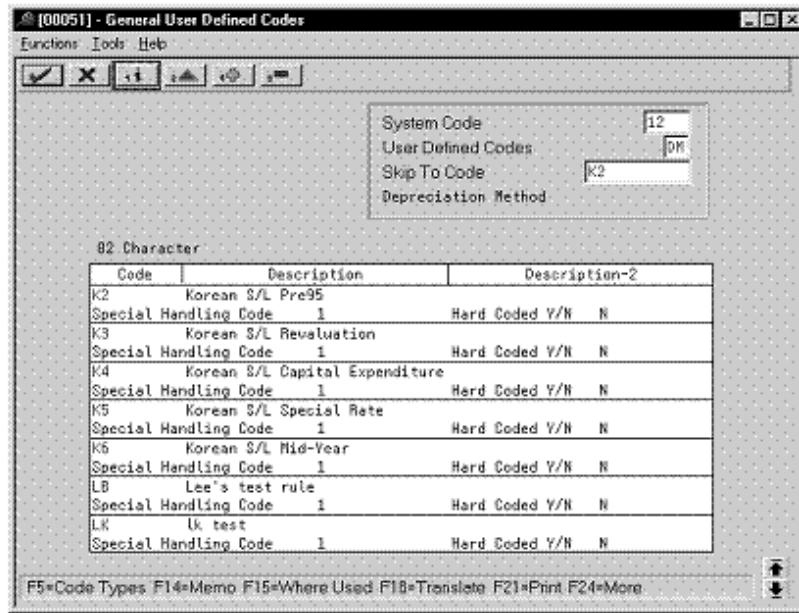
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

8.5.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K2 for Korean Straight Line Prior to 95.

Figure 8–19 General User Defined Codes screen (K2)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------|
| Code | K2 |
| Description | Korean S/L Pre95 |
| Special Handling Code | 1 |
| Hard Coded | N |

8.5.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formulas:

- Basis Pre 95
- Pre 95 Depreciation After Life
- Pre 95 Straight Line Depreciation
- Pre 95 Depreciation to Salvage Straight Line

Basis Pre 95

Figure 8-20 Depreciation Formula Revision screen (Basis Pre 95)

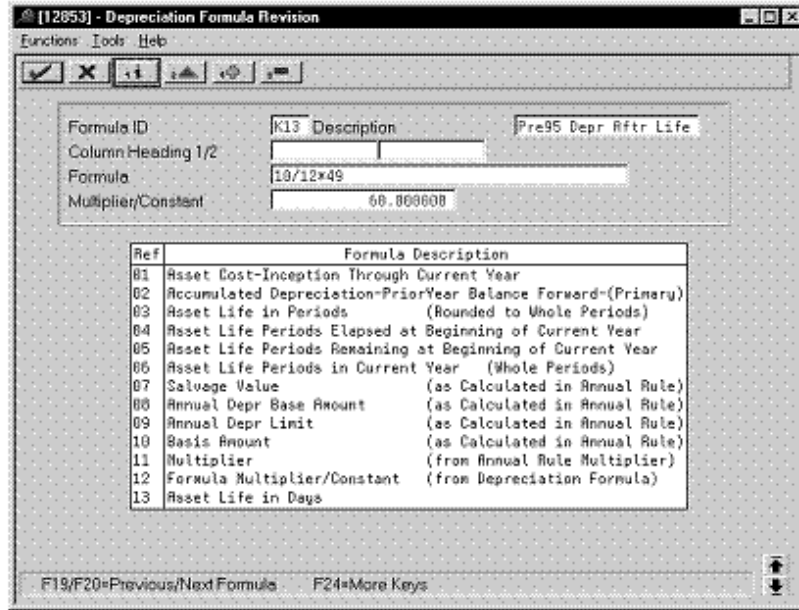
| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|--------------|
| Formula ID | KBP |
| Description | Basis Pre 95 |
| Formula | 01*12 |
| Multiplier/Constant | .100000 |

Pre 95 Depreciation After Life

Figure 8–21 Depreciation Formula Revision screen (Pre 95 Depreciation After Life)

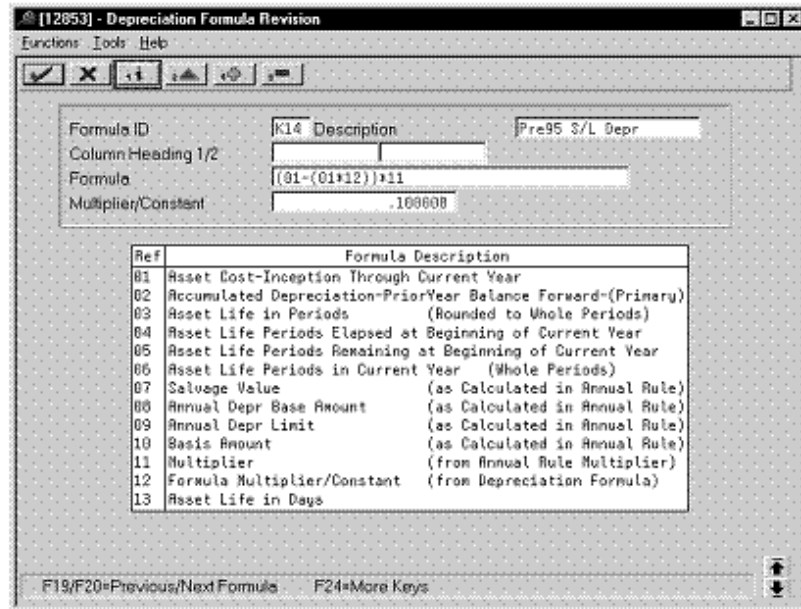


Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | K13 |
| Description | Pre95 Depr Aftr Life |
| Formula | 10/12*49 |
| Multiplier/Constant | 60.000000 |

Pre 95 Straight Line Depreciation

Figure 8–22 Depreciation Formula Revision screen (Pre 95 Straight Line)

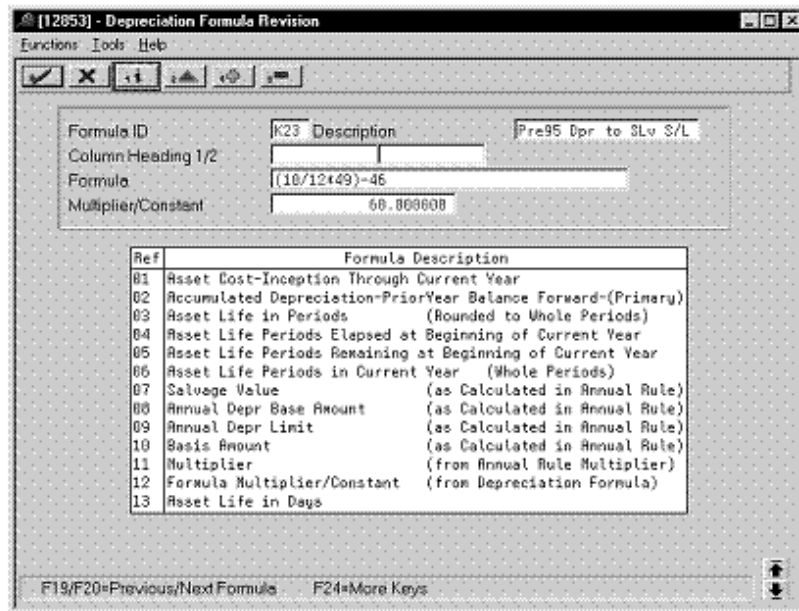


Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|-------------------|
| Formula ID | K14 |
| Description | Pre95 S/L Depr |
| Formula | $(01-(01*12))*11$ |
| Multiplier/Constant | .100000 |

Pre 95 Depreciation to Salvage Straight Line

Figure 8–23 Depreciation Formula Revision screen (Pre 95 to Salvage Straight Line)



Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | K23 |
| Description | Pre95 Dpr to Slv S/L |
| Formula | (10/12*49)-46 |
| Multiplier/Constant | 60.000000 |

8.5.3 Setting Up the Depreciation Method

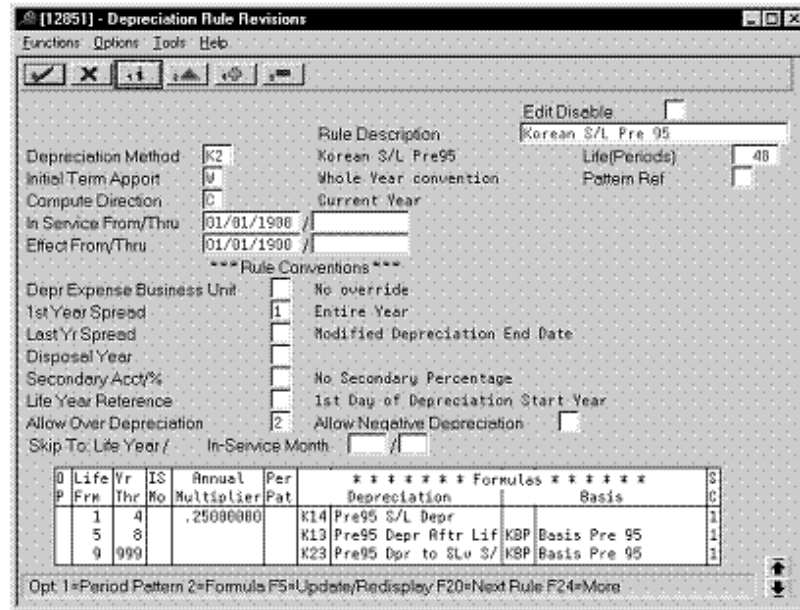
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K2

8.5.3.1 Setting Up Reference Information and Conventions

Figure 8-24 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-------------------|
| Depreciation Method | K2 |
| Rule Description | Korean S/L Pre 95 |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

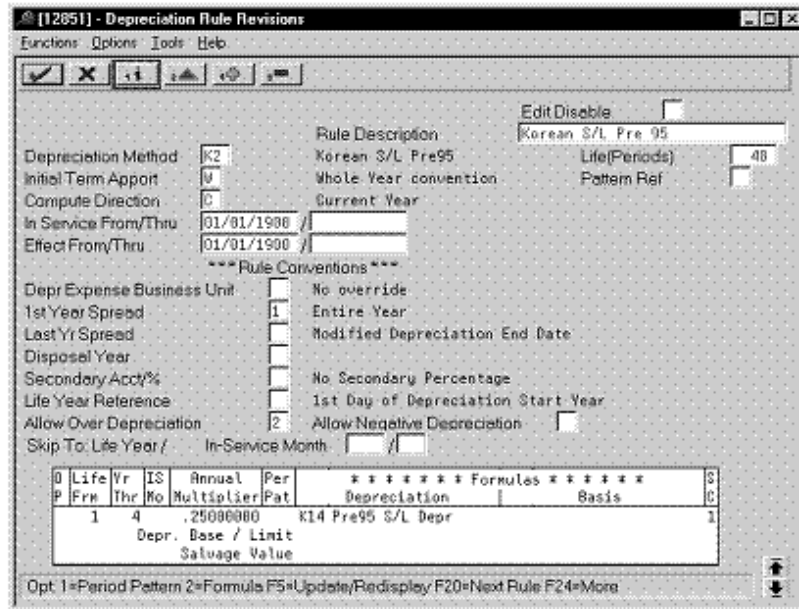
8.5.3.2 Attaching the Formulas to Depreciation Method K2

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 4
- Second Record: Life Years 5 through 8
- Third Record: Life Years 9 through 999

First Record: Life Years 1 through 4

Figure 8–25 Depreciation Rule Revisions screen (Life Years 1 through 4)

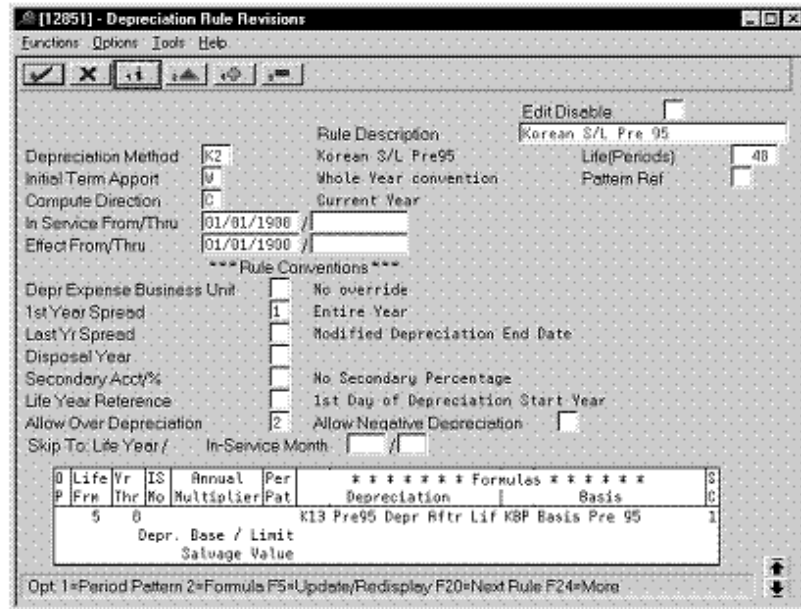


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 4 |
| Annual Multiplier | .25000000 |
| Depreciation | K14 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 5 through 8

Figure 8-26 Depreciation Rule Revisions screen (Life Years 5 through 8)

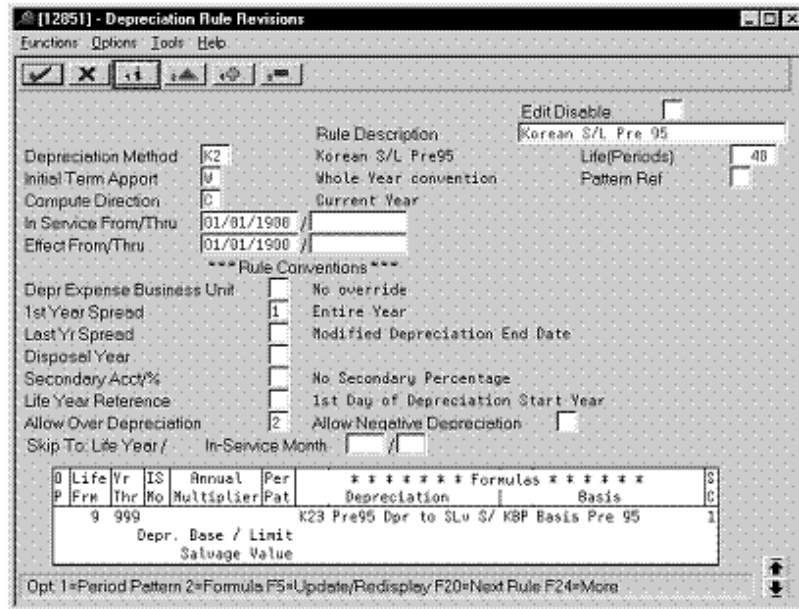


Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 5 |
| Life Yr Thr | 8 |
| Depreciation | K13 |
| Basis | KBP |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 9 through 999

Figure 8–27 Depreciation Rule Revisions screen (Life Years 9 through 999)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 9 |
| Life Yr Thr | 999 |
| Depreciation | K23 |
| Basis | KBP |
| SC (Secondary Percentage Continuation) | 1 |

8.6 Revaluation (Declining Balance)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.6.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KR for Korean Declining Balance Revaluation.

Figure 8–28 General User Defined Codes screen (KR)

System Code: 12
 User Defined Codes: DM
 Skip To Code: KR
 Depreciation Method:

| Code | Description | Description-2 |
|------|--------------------------------|------------------|
| KR | Korean DB Revaluation | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K3 | Korean DB Special Rate | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K4 | Korean DB Mid-Year | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K1 | Korean S/L Normal | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K2 | Korean S/L Pre95 | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K3 | Korean S/L Revaluation | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| K4 | Korean S/L Capital Expenditure | |
| | Special Handling Code 1 | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-----------------------|
| Code | KR |
| Description | Korean DB Revaluation |
| Special Handling Code | 1 |
| Hard Coded | N |

8.6.2 Setting Up the Depreciation Method

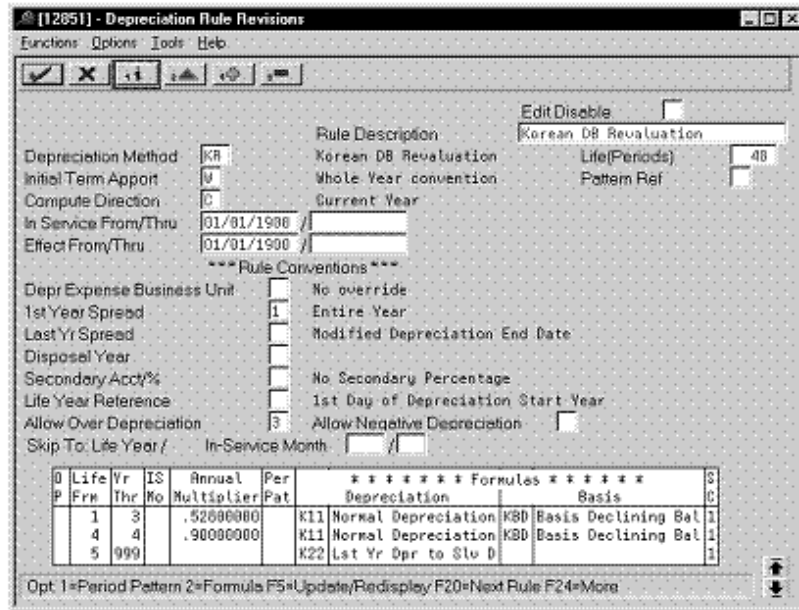
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KR

8.6.2.1 Setting Up Reference Information and Conventions

Figure 8-29 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-----------------------|
| Depreciation Method | KR |
| Rule Description | Korean DB Revaluation |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 3 |

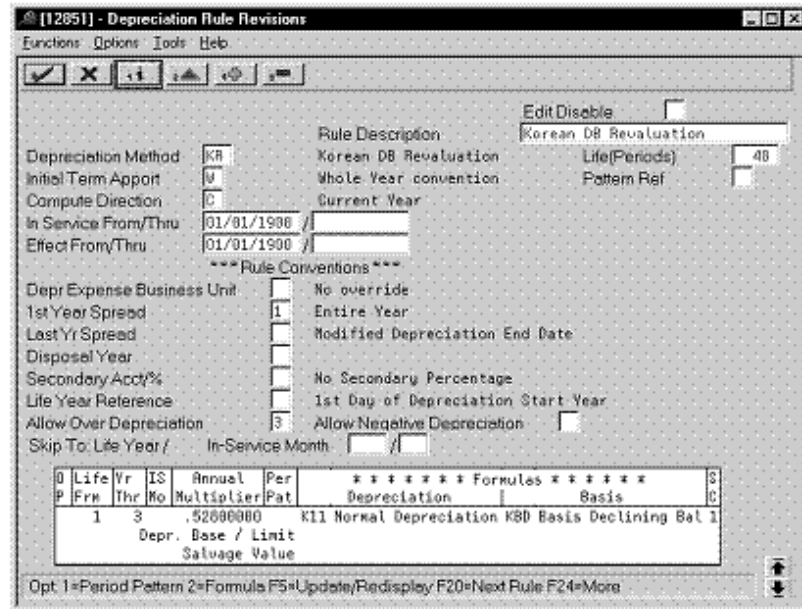
8.6.2.2 Attaching the Formulas to Depreciation Method KR

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Year 4
- Third Record: Life Years 5 through 999

First Record: Life Years 1 through 3

Figure 8-30 Depreciation Rule Revisions screen (Life Years 1 through 3)

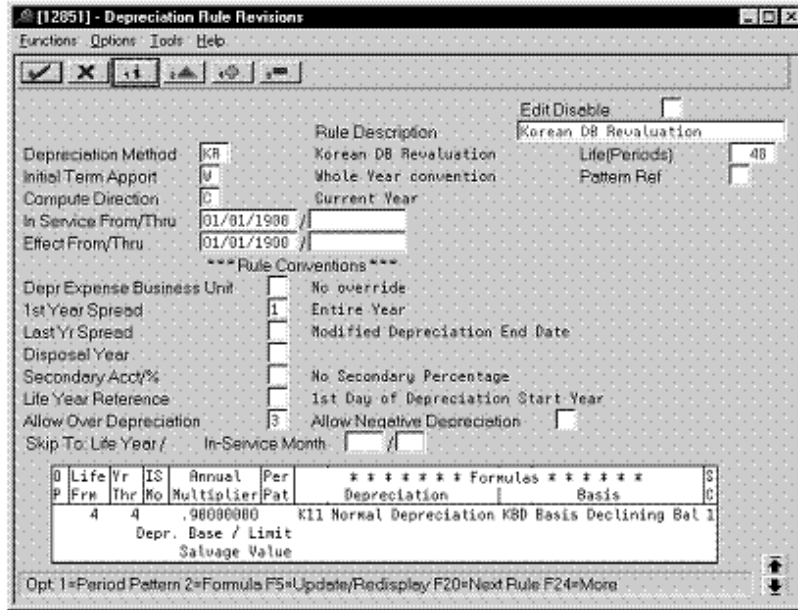


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .52800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Year 4

Figure 8-31 Depreciation Rule Revisions screen (Life Year 4)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 4 |
| Life Yr Thr | 4 |
| Annual Multiplier | .90000000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 5 through 999

Figure 8-32 Depreciation Rule Revisions screen (Life Years 5 through 999)

The screenshot shows the 'Depreciation Rule Revisions' window for record 12651. The 'Rule Description' is 'Korean DB Revaluation'. The 'Depreciation Method' is 'KR'. The 'Initial Term Apport' is 'V', 'Compute Direction' is 'C', and 'Current Year' is selected. The 'In Service From/Thru' and 'Effect From/Thru' dates are both '01/01/1900'. Under 'Rule Conventions', '1st Year Spread' is set to '1' (Entire Year), 'Secondary Acct%' is '0' (No Secondary Percentage), and 'Allow Over Depreciation' is '3' (Allow Negative Depreciation). A table at the bottom shows the rule details:

| Life Yr | IS | Annual | Per | Formulas | Basis |
|---------|-----|--------|------------|-------------------------|-------|
| P Frm | Thr | Mo | Multiplier | Pat | |
| 5 | 999 | | | K22 Lst Yr Dpr to Slv 0 | 1 |

At the bottom, it says 'Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More'.

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 5 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.7 Revaluation (Straight Line)

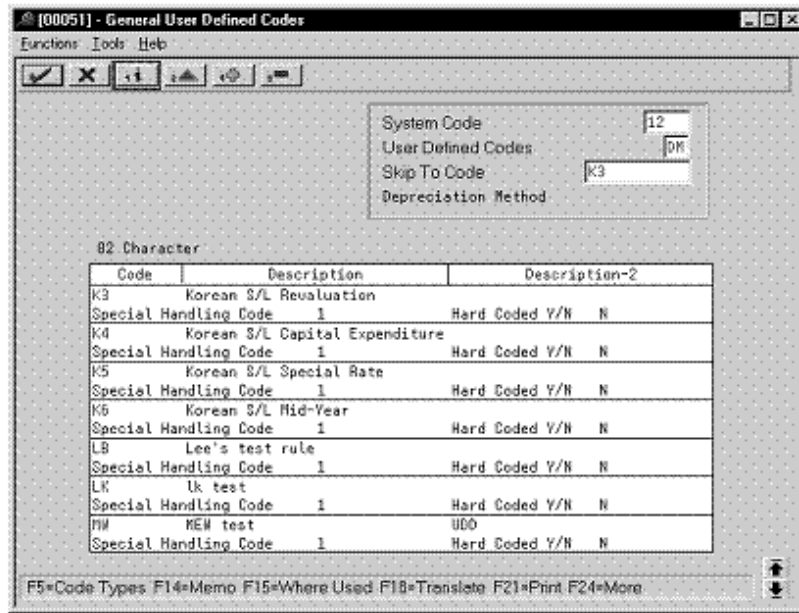
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

8.7.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K3 for Korean Straight Line Revaluation.

Figure 8-33 General User Defined Codes screen (K3)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------------|
| Code | K3 |
| Description | Korean S/L Revaluation |
| Special Handling Code | 1 |
| Hard Coded | N |

8.7.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 8-34 Depreciation Formula Revision screen (Method K3)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|-------------|----------------------|
| Formula ID | K21 |
| Description | Lst Yr Dpr to Slv SL |
| Formula | (10*11)-46 |

8.7.3 Setting Up the Depreciation Method

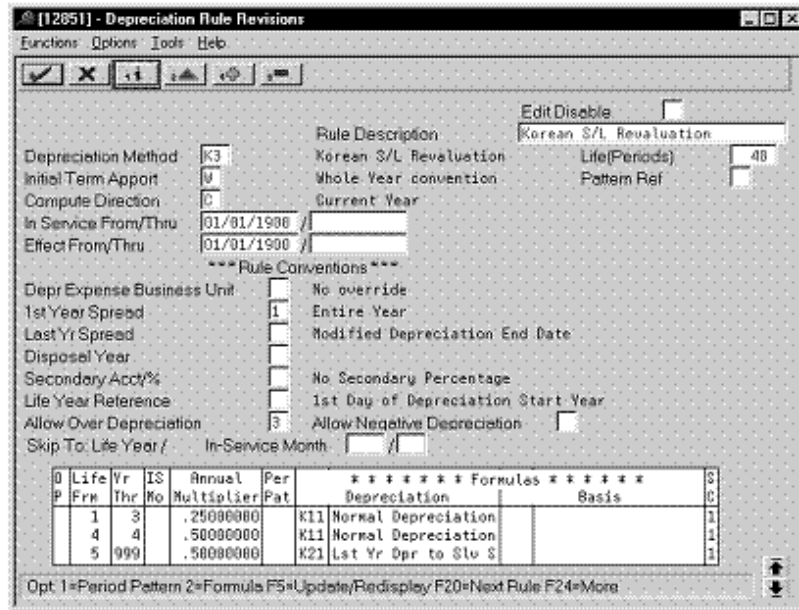
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K3

8.7.3.1 Setting Up Reference Information and Conventions

Figure 8-35 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|------------------------|
| Depreciation Method | K3 |
| Rule Description | Korean S/L Revaluation |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 3 |

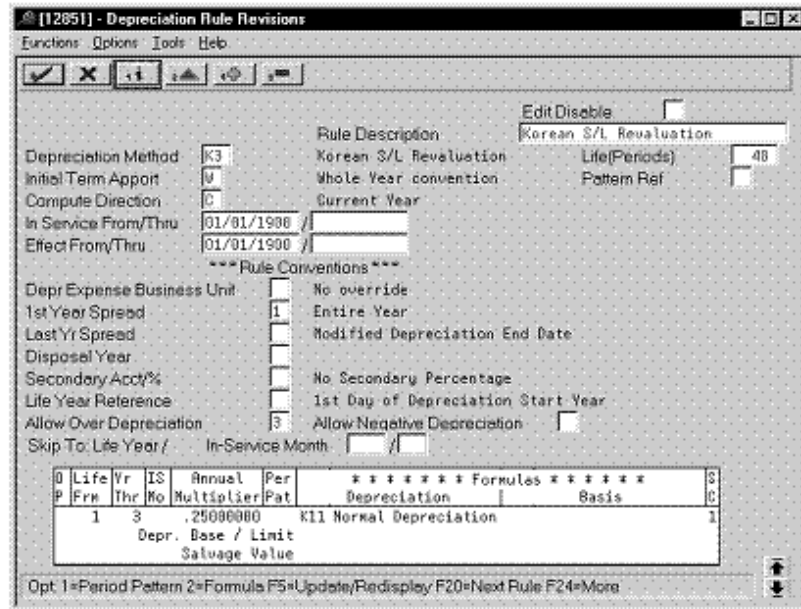
8.7.3.2 Attaching the Formulas to Depreciation Method K3

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Year 4
- Third Record: Life Years 5 through 999

First Record: Life Years 1 through 3

Figure 8-36 Depreciation Rule Revisions screen (Life Years 1 through 3)

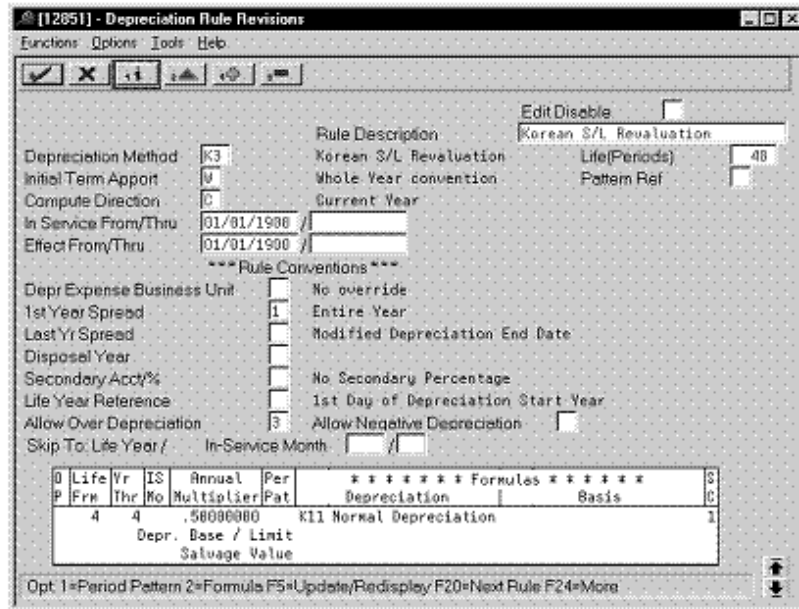


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Year 4

Figure 8-37 Depreciation Rule Revisions screen (Life Year 4)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 4 |
| Life Yr Thr | 4 |
| Annual Multiplier | .50000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 5 through 999

Figure 8-38 Depreciation Rule Revisions screen (Life Years 5 through 999)

The screenshot shows a software window titled "[12651] - Depreciation Rule Revisions". It contains several input fields and a table. The fields include: Depreciation Method (K3), Rule Description (Korean S/L Revaluation), Initial Term Apport (V), Compute Direction (C), In Service From/Thru (01/01/1900 /), Effect From/Thru (01/01/1900 /), and various checkboxes for "Rule Conventions" such as "No override", "Entire Year", "Modified Depreciation End Date", "No Secondary Percentage", "1st Day of Depreciation Start Year", and "Allow Negative Depreciation". A table at the bottom lists rule details with columns for Life Yr, IS, Annual, Per, and Formulas. The table contains one row with values: 5, 999, .50000000, K21, and "Lst Yr Dpr to Slv \$".

| Life Yr | IS | Annual | Per | Formulas | SC | | |
|---------|-----|-----------|-----|------------|----------------------|--------------|-------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis |
| 5 | 999 | .50000000 | | K21 | Lst Yr Dpr to Slv \$ | | 1 |

Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 5 |
| Life Yr Thr | 999 |
| Annual Multiplier | .50000000 |
| Depreciation | K21 |
| SC (Secondary Percentage Continuation) | 1 |

8.8 Capital Expenditure (Declining Balance)

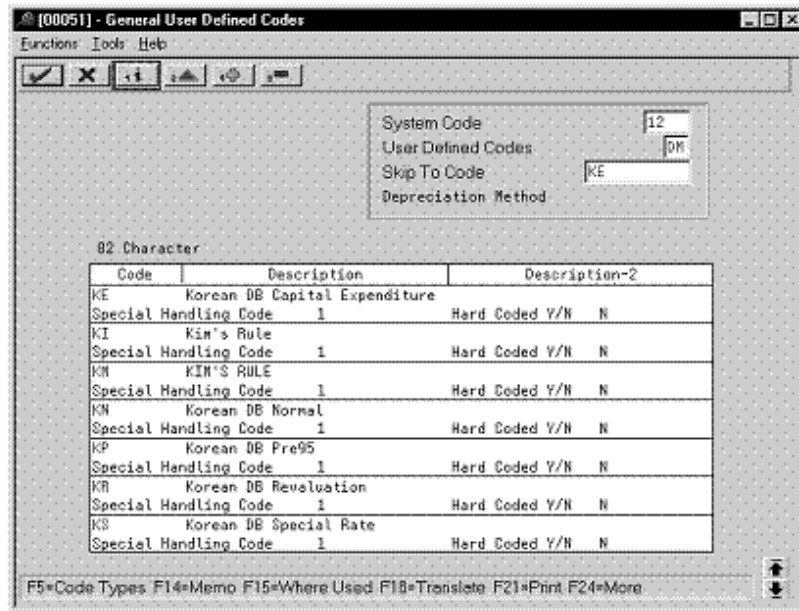
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.8.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KE for Korean Declining Balance Capital Expenditure.

Figure 8-39 General User Defined Codes screen (KE)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-------------------------------|
| Code | KE |
| Description | Korean DB Capital Expenditure |
| Special Handling Code | 1 |
| Hard Coded | N |

8.8.2 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KE

8.8.2.1 Setting Up Reference Information and Conventions

Figure 8-40 Depreciation Rule Revisions screen (Reference)

The screenshot shows the 'Depreciation Rule Revisions' window with the following fields and values:

- Depreciation Method: KE
- Rule Description: Korean DB Capital Expenditure
- Initial Term Apport: W
- Life(Periods): 48
- Compute Direction: C
- Whole Year convention:
- Pattern Ref:
- In Service From/Thru: 01/01/1998 /
- Current Year:
- Effect From/Thru: 01/01/1990 /

*** Rule Conventions ***

- Depr Expense Business Unit: No override
- 1st Year Spread: 1 Entire Year
- Last Yr Spread: Modified Depreciation End Date
- Disposal Year:
- Secondary Acct%: No Secondary Percentage
- Life Year Reference: 1st Day of Depreciation Start Year
- Allow Over Depreciation: 2 Allow Negative Depreciation:
- Skip To: Life Year / In-Service Month: /

| D | Life | Vr | IS | Annual | Per | ***** Formulas ***** | | C |
|---|------|-----|----|------------|-----|----------------------|-------------------------|---|
| P | Frn | Thr | No | Multiplier | Pat | Depreciation | Basis | C |
| | 1 | 5 | | .52690000 | K11 | Normal Depreciation | K8D Basis Declining Bal | 1 |
| | 6 | 999 | | | K22 | 1st Yr Dpr to Slv D | | 1 |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-------------------------------|
| Depreciation Method | KE |
| Rule Description | Korean DB Capital Expenditure |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

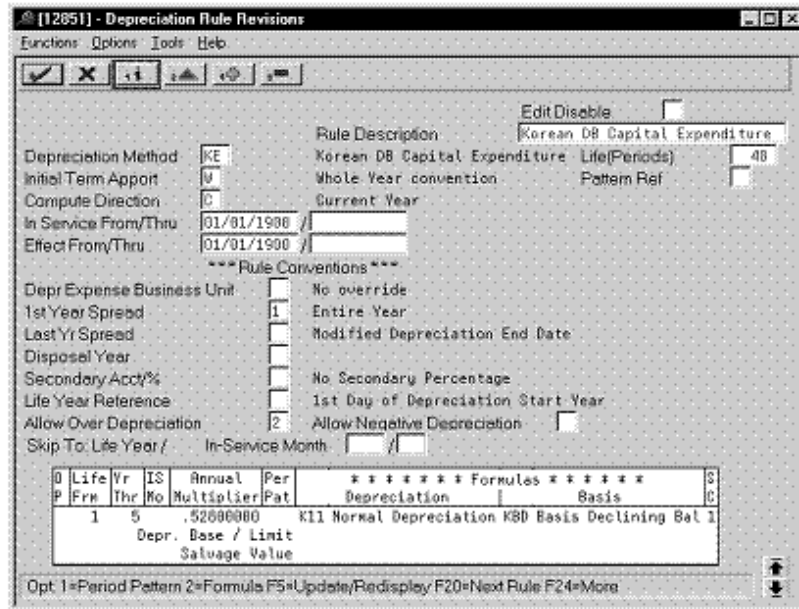
8.8.2.2 Attaching the Formulas to Depreciation Method KE

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 5
- Second Record: Life Years 6 through 999

First Record: Life Years 1 through 5

Figure 8-41 Depreciation Rule Revisions screen (Life Years 1 through 5)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 5 |
| Annual Multiplier | .52800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 6 through 999**Figure 8-42 Depreciation Rule Revisions screen (Life Years 6 through 999)**

The screenshot shows the 'Depreciation Rule Revisions' window for record 12651. The 'Rule Description' is 'Korean DB Capital Expenditure'. The 'Life (Periods)' is set to 48. The 'Depreciation Method' is 'KE'. The 'In Service From/Thru' dates are '01/01/1900 /'. The 'Effect From/Thru' dates are '01/01/1900 /'. The 'Rule Conventions' section includes options for 'Depr Expense Business Unit', '1st Year Spread' (set to 1), 'Last Yr Spread', 'Disposal Year', 'Secondary Acct%', 'Life Year Reference', 'Allow Over Depreciation' (set to 2), and 'Skip To: Life Year / In-Service Month'. A table at the bottom shows a single record with Life Yr Frm 6, Life Yr Thr 999, and Depreciation K22. The table has columns for Life Yr, IS, Annual, Per, and Basis.

| Life Yr | IS | Annual | Per | Basis |
|---------|----|--------|-----|-------|
| 6 | | | K22 | 1 |

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 6 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.9 Capital Expenditure (Straight Line)

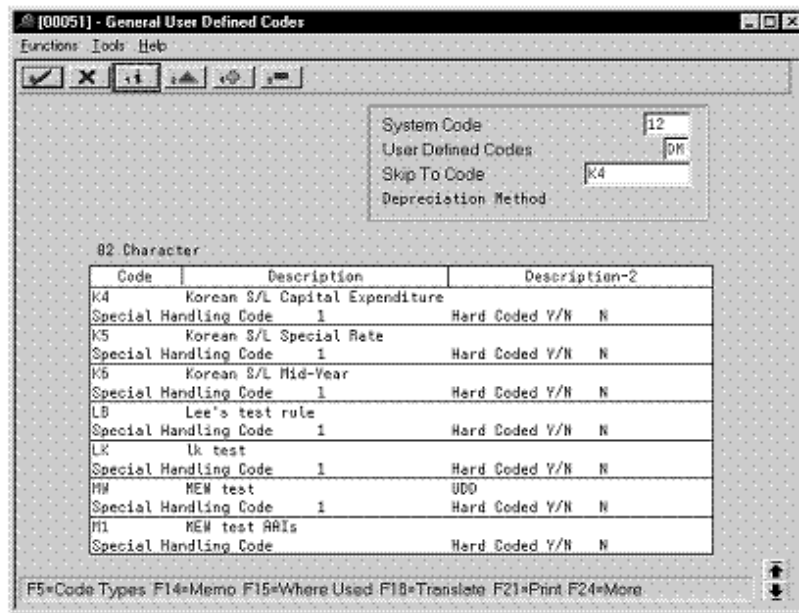
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.9.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K4 for Korean Straight Line Capital Expenditure.

Figure 8-43 General User Defined Codes screen (K4)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|--------------------------------|
| Code | K4 |
| Description | Korean S/L Capital Expenditure |
| Special Handling Code | 1 |
| Hard Coded | N |

8.9.2 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K4

8.9.2.1 Setting Up Reference Information and Conventions

Figure 8-44 Depreciation Rule Revisions screen (Reference)

The screenshot shows the 'Depreciation Rule Revisions' window with the following fields and values:

- Depreciation Method: K4
- Rule Description: Korean S/L Capital Expenditure
- Initial Term Apport: W
- Compute Direction: C
- In Service From/Thru: 01/01/1998 /
- Effect From/Thru: 01/01/1990 /
- Life (Periods): 48
- 1st Year Spread: 1
- Allow Over Depreciation: 2

Below the fields is a table of formulas:

| D | Life | Vr | IS | Annual | Per | ***** Formulas ***** | | S |
|---|------|-----|----|------------|-----|----------------------|-------|---|
| P | Frn | Thr | No | Multiplier | Pat | Depreciation | Basis | C |
| | 1 | 5 | | .25000000 | K11 | Normal Depreciation | | 1 |
| | 6 | 999 | | | K22 | 1st Yr Dpr to Slv D | | 1 |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|--------------------------------|
| Depreciation Method | K4 |
| Rule Description | Korean S/L Capital Expenditure |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

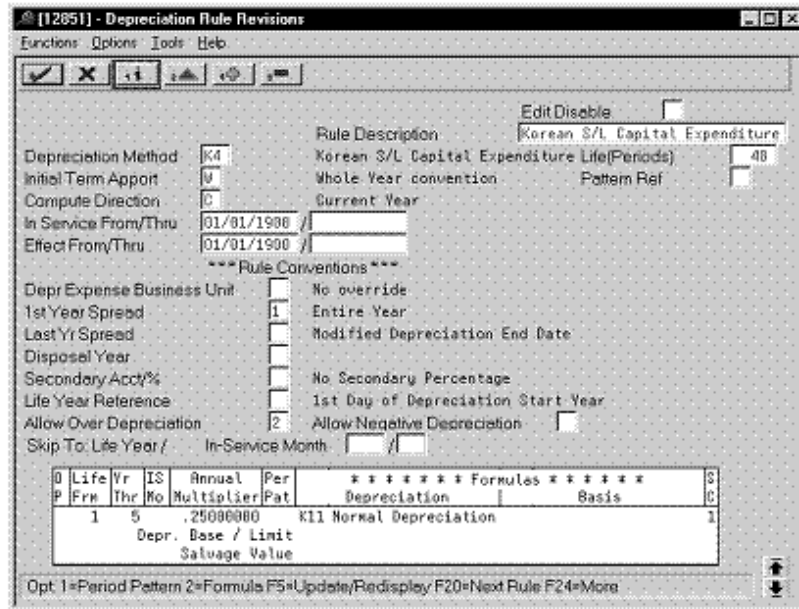
8.9.2.2 Attaching the Formulas to Depreciation Method K4

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 5
- Second Record: Life Years 6 through 999

First Record: Life Years 1 through 5

Figure 8-45 Depreciation Rule Revisions screen (Life Years 1 through 5)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 5 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 6 through 999**Figure 8-46 Depreciation Rule Revisions screen (Life Years 6 through 999)**

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 6 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.10 Special Rate (Declining Balance)

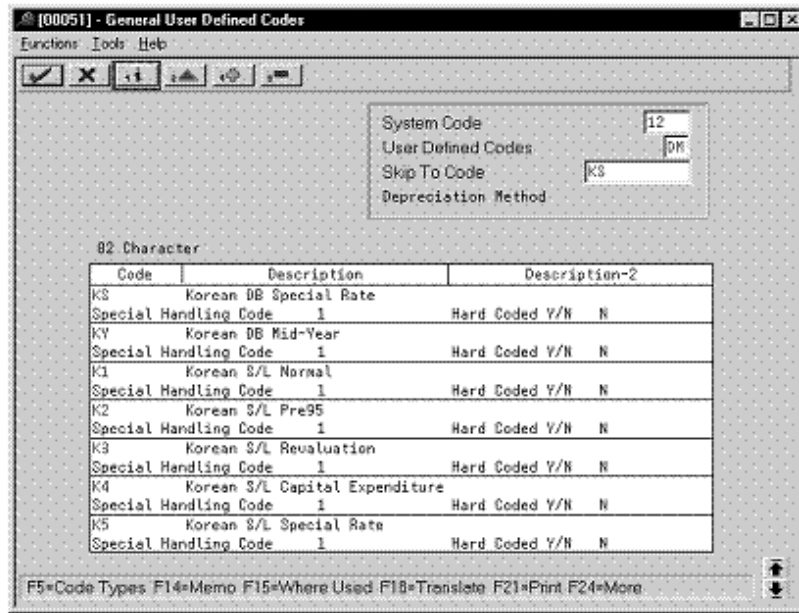
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

8.10.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KS for Korean Declining Balance Special Rate.

Figure 8-47 General User Defined Codes screen (KS)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|------------------------|
| Code | KS |
| Description | Korean DB Special Rate |
| Special Handling Code | 1 |
| Hard Coded | N |

8.10.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 8-48 Depreciation Formula Revision screen (Method KS)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | K16 |
| Description | D/B Special Rate Dep |
| Formula | 11*(10*12) |
| Multiplier/Constant | .528000 |

8.10.3 Setting Up the Depreciation Method

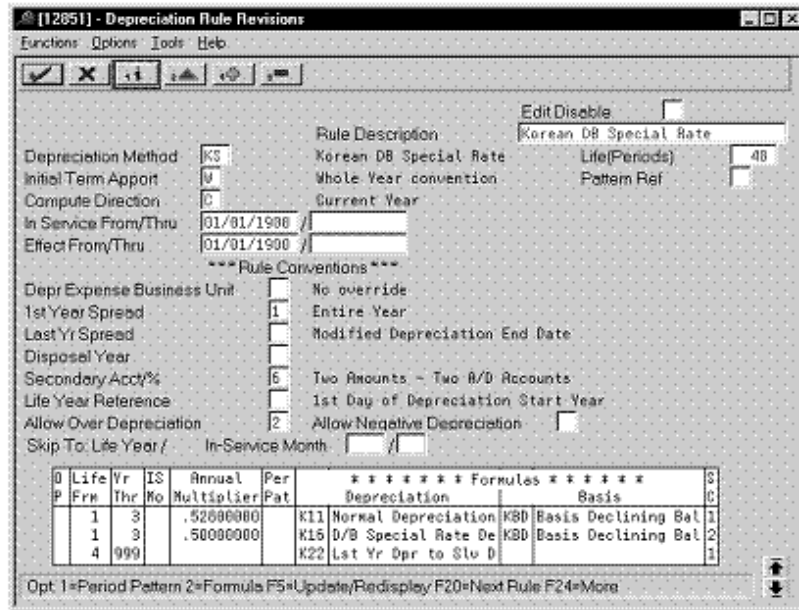
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KS

8.10.3.1 Setting Up Reference Information and Conventions

Figure 8-49 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|------------------------|
| Depreciation Method | KS |
| Rule Description | Korean DB Special Rate |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Secondary Acct/% | 6 |
| Allow Over Depreciation | 2 |

8.10.3.2 Attaching the Formulas to Depreciation Method KS

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 3
- Second Record: Life Years 1 through 3
- Third Record: Life Years 4 through 999

First Record: Life Years 1 through 3

Figure 8-50 Depreciation Rule Revisions screen (Life Years 1 through 3)

The screenshot shows a software window titled "[12651] - Depreciation Rule Revisions". It contains several input fields and a table. The fields include:

- Depreciation Method: KS
- Initial Term Apport: V
- Compute Direction: C
- In Service From/Thru: 01/01/1900 /
- Effect From/Thru: 01/01/1900 /
- Rule Description: Korean DB Special Rate
- Life(Periods): 48
- Whole Year convention:
- Current Year:
- Depr Expense Business Unit: No override
- 1st Year Spread: 1 Entire Year
- Last Yr Spread: Modified Depreciation End Date
- Disposal Year:
- Secondary Acct%: 6 Two Amounts - Two A/D Accounts
- Life Year Reference: 1st Day of Depreciation Start Year
- Allow Over Depreciation: 2 Allow Negative Depreciation:
- Skip To: Life Year / In-Service Month: /

Below the fields is a table with the following data:

| Life Yr | IS | Annual | Per | ***** Formulas ***** | SC | |
|-------------------------------------|-----|-----------|-----|---|-----|--------------------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation Basis |
| 1 | 3 | .52800000 | K11 | Normal Depreciation KBD Basis Declining Bal | 1 | |
| Depr. Base / Limit Salvage Value | | | | | | |

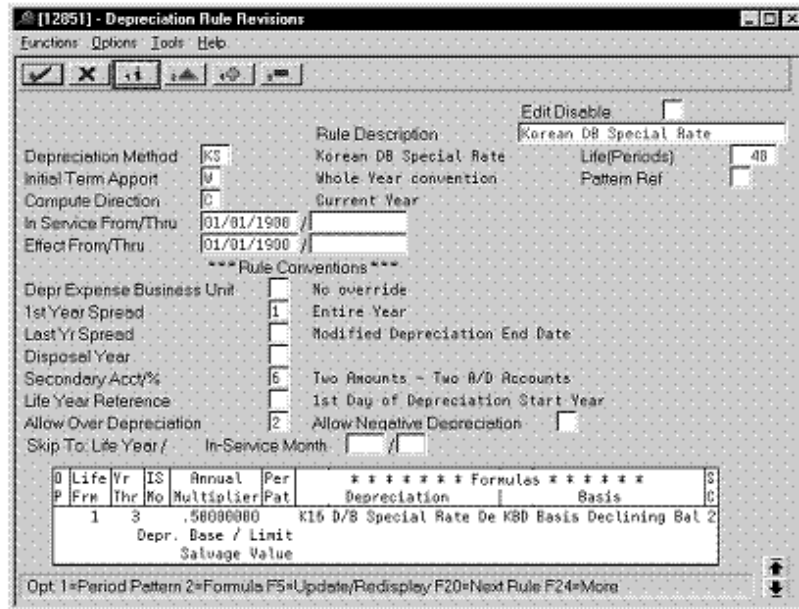
At the bottom, there is a legend: Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .52800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 1 through 3

Figure 8-51 Depreciation Rule Revisions screen (Second Record, Life Years 1 - 3)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 3 |
| Annual Multiplier | .50000000 |
| Depreciation | K16 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 2 |

Third Record: Life Years 4 through 999

Figure 8-52 Depreciation Rule Revisions screen (Life Years 4 through 999)

The screenshot shows the 'Depreciation Rule Revisions' window for record 12651. The 'Rule Description' is 'Korean DB Special Rate'. The 'Depreciation Method' is 'K5'. The 'Life(Periods)' is set to 48. The 'In Service From/Thru' date is 01/01/1900. The 'Effect From/Thru' date is also 01/01/1900. The 'Rule Conventions' section includes options for 'Depr Expense Business Unit', '1st Year Spread', 'Last Yr Spread', 'Disposal Year', 'Secondary Acct%', 'Life Year Reference', and 'Allow Over Depreciation'. A table at the bottom of the screen displays the rule details for life years 4 to 999.

| Life Yr | IS | Annual | Per | ***** Formulas ***** | SC | | |
|---------|-----|--------|-----|----------------------|---------------------|--------------|-------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis |
| 4 | 999 | | | K22 | Lst Yr Dpr to Slv 0 | 1 | |

Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 4 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.11 Special Rate (Straight Line)

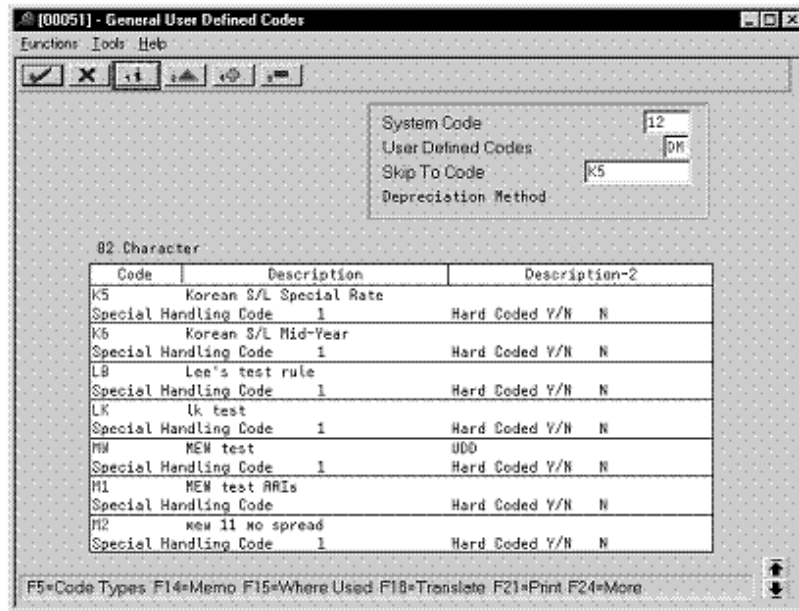
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up depreciation formulas
- Setting up the depreciation method

8.11.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K5 for Korean Straight Line Special Rate.

Figure 8-53 General User Defined Codes screen (K5)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|-------------------------|
| Code | K5 |
| Description | Korean S/L Special Rate |
| Special Handling Code | 1 |
| Hard Coded | N |

8.11.2 Setting Up Depreciation Formulas

On Depreciation Formula Revision, define the following formula:

Figure 8-54 Depreciation Formula Revision screen (Method K5)

| Ref | Formula Description |
|-----|---|
| 01 | Asset Cost-Inception Through Current Year |
| 02 | Accumulated Depreciation-Prior Year Balance Forward-(Primary) |
| 03 | Asset Life in Periods (Rounded to Whole Periods) |
| 04 | Asset Life Periods Elapsed at Beginning of Current Year |
| 05 | Asset Life Periods Remaining at Beginning of Current Year |
| 06 | Asset Life Periods in Current Year (Whole Periods) |
| 07 | Salvage Value (as Calculated in Annual Rule) |
| 08 | Annual Depr Base Amount (as Calculated in Annual Rule) |
| 09 | Annual Depr Limit (as Calculated in Annual Rule) |
| 10 | Basis Amount (as Calculated in Annual Rule) |
| 11 | Multiplier (from Annual Rule Multiplier) |
| 12 | Formula Multiplier/Constant (from Depreciation Formula) |
| 13 | Asset Life in Days |

Complete the following fields with the values indicated below:

| Field | Value |
|---------------------|----------------------|
| Formula ID | K15 |
| Description | S/L Special Rate Dep |
| Formula | 11*(10*12) |
| Multiplier/Constant | .250000 |

8.11.3 Setting Up the Depreciation Method

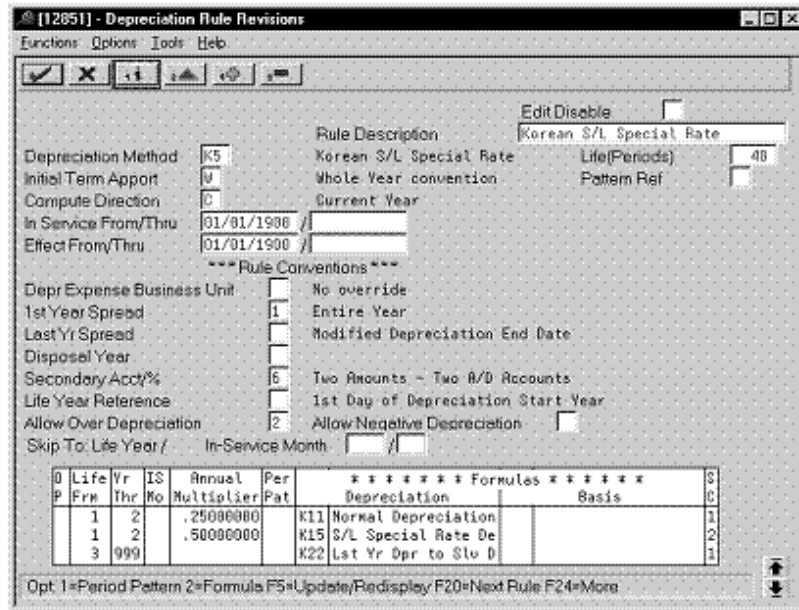
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K5

8.11.3.1 Setting Up Reference Information and Conventions

Figure 8-55 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|-------------------------|
| Depreciation Method | K5 |
| Rule Description | Korean S/L Special Rate |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Secondary Acct/% | 6 |
| Allow Over Depreciation | 2 |

8.11.3.2 Attaching the Formulas to Depreciation Method K5

Attach the following formulas to the depreciation method:

- First Record: Life Years 1 through 2
- Second Record: Life Years 1 through 2
- Third Record: Life Years 3 through 999

First Record: Life Years 1 through 2

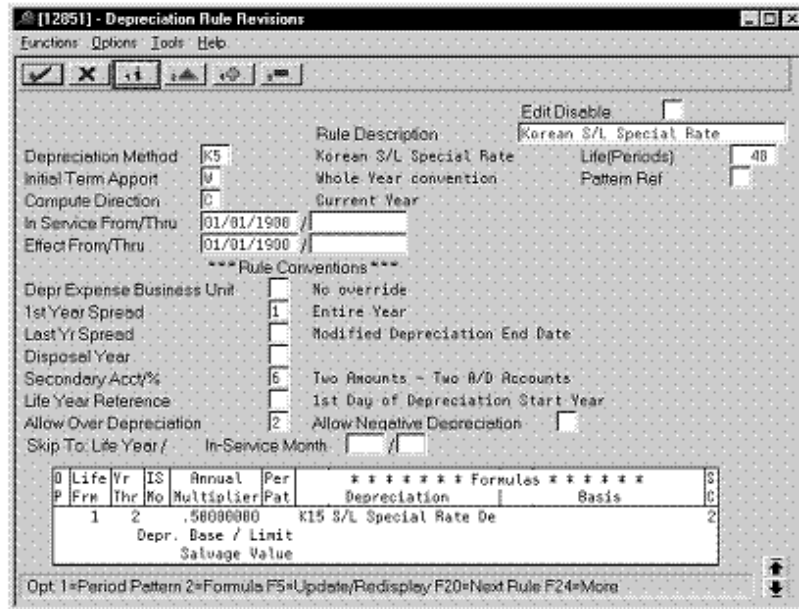
Figure 8-56 Depreciation Rule Revisions screen (Life Years 1 through 2)

Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 1 through 2

Figure 8-57 Depreciation Rule Revisions screen (Life Years 1 through 2)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 2 |
| Annual Multiplier | .50000000 |
| Depreciation | K15 |
| SC (Secondary Percentage Continuation) | 2 |

Third Record: Life Years 3 through 999

Figure 8-58 Depreciation Rule Revisions screen (Life Years 3 through 999)

Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 3 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.12 Mid-Year (Declining Balance)

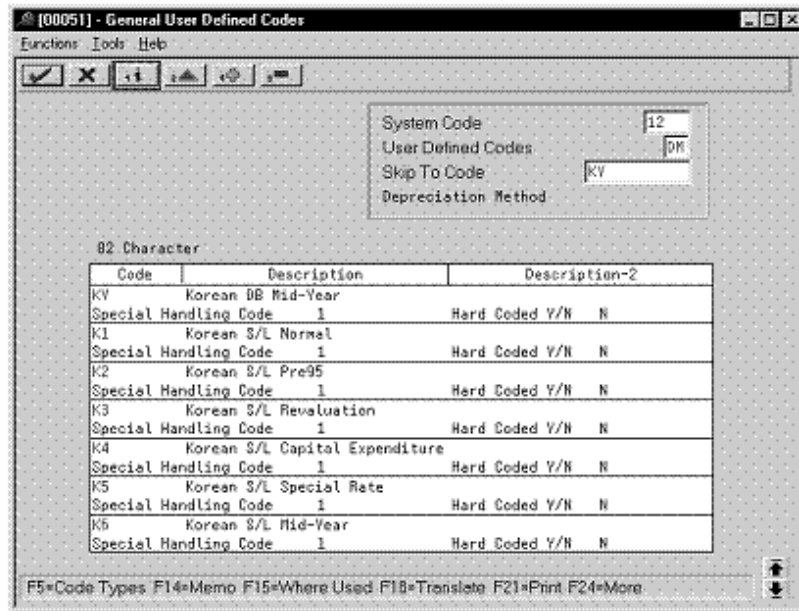
Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.12.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code KY for Korean Declining Balance Mid-Year.

Figure 8-59 General User Defined Codes screen (KY)



Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|--------------------|
| Code | KY |
| Description | Korean DB Mid-Year |
| Special Handling Code | 1 |
| Hard Coded | N |

8.12.2 Setting Up the Depreciation Method

On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method KY

8.12.2.1 Setting Up Reference Information and Conventions

Figure 8-60 Depreciation Rule Revisions screen (Reference)

| D | Life | Vr | IS | Annual | Per | Formulas | C |
|---|------|-----|----|------------|-----|----------------------|-------------------------|
| P | Frm | Thr | No | Multiplier | Pat | Depreciation Basis | |
| | 1 | 1 | | .52690000 | K12 | Letter Half YR Depr | KBD Basis Declining Bal |
| | 2 | 4 | | .52690000 | K11 | Normal Depreciation | KBD Basis Declining Bal |
| | 5 | 999 | | | K22 | Last Yr Dpr to Slv D | |

Opt 1=Period Pattern 2=Formulas F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|--------------------|
| Depreciation Method | KY |
| Rule Description | Korean DB Mid-Year |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

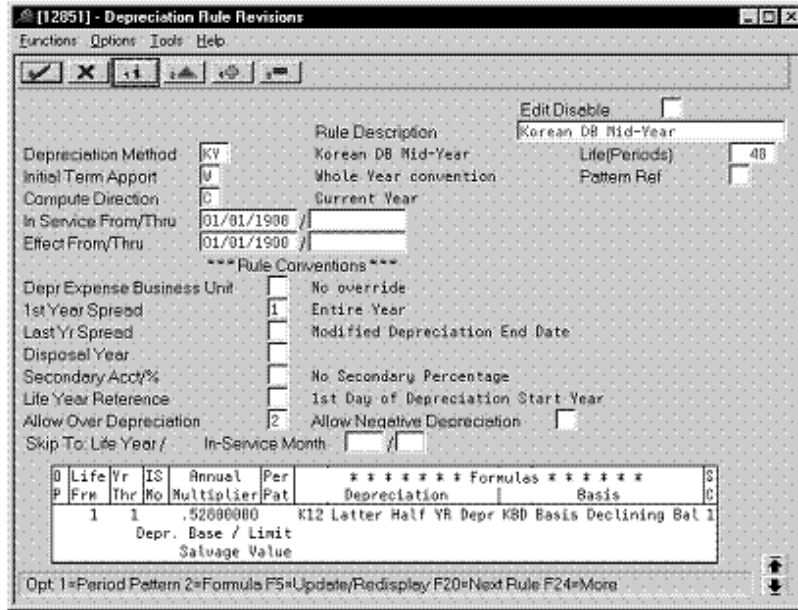
8.12.2.2 Attaching the Formulas to Depreciation Method KY

Attach the following formulas to the depreciation method:

- First Record: Life Year 1
- Second Record: Life Years 2 through 4
- Third Record: Life Years 5 through 999

First Record: Life Year 1

Figure 8-61 Depreciation Rule Revisions screen (Life Year 1)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 1 |
| Annual Multiplier | .52800000 |
| Depreciation | K12 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 2 through 4

Figure 8-62 Depreciation Rule Revisions screen (Life Years 2 through 4)

*** Rule Conventions ***

| Life Yr | IS | Annual | Per | ***** Formulas ***** | SC | | | |
|---------|-----|--------|-----|----------------------|-----|---------------------|-------|-----------------------|
| P | Frm | Thr | Mo | Multiplier | Pat | Depreciation | Basis | SC |
| 2 | 4 | | | .52800000 | K11 | Normal Depreciation | KBD | Basis Declining Bal 1 |
| | | | | | | Depr. Base / Limit | | Salvage Value |

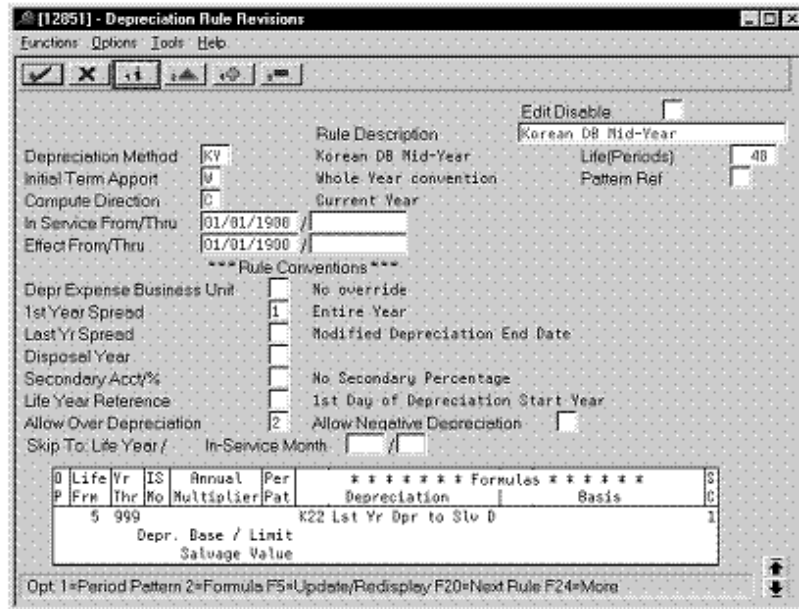
Opt 1=Period Pattern 2=Formula F5=Update/Redisplay F20=Next Rule F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 2 |
| Life Yr Thr | 4 |
| Annual Multiplier | .52800000 |
| Depreciation | K11 |
| Basis | KBD |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 5 through 999

Figure 8-63 Depreciation Rule Revisions screen (Life Years 5 through 999)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 5 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

8.13 Mid-Year (Straight Line)

Defining this depreciation method includes the following tasks:

- Adding a user defined code
- Setting up the depreciation method

8.13.1 Adding a User Defined Code

On General User Defined Codes for Depreciation Method (12/DM), create code K6 for Korean Straight Line Mid-Year.

Figure 8–64 General User Defined Codes screen (K6)

System Code: 12
 User Defined Codes: DM
 Skip To Code: K6
 Depreciation Method:

| Code | Description | Description-2 |
|------|-------------------------|------------------|
| K5 | Korean S/L Mid-Year | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| LB | Lee's test rule | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| LK | Lk test | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| MW | MEW test | UDD |
| | Special Handling Code 1 | Hard Coded Y/N N |
| M1 | MEW test ARIs | |
| | Special Handling Code | Hard Coded Y/N N |
| M2 | new 11 no spread | |
| | Special Handling Code 1 | Hard Coded Y/N N |
| M3 | new 10 no spread | |
| | Special Handling Code 1 | Hard Coded Y/N N |

F5=Code Types F14=Memo F15=Where Used F18=Translate F21=Print F24=More

Complete the following fields with the values indicated below:

| Field | Value |
|-----------------------|---------------------|
| Code | K6 |
| Description | Korean S/L Mid-Year |
| Special Handling Code | 1 |
| Hard Coded | N |

8.13.2 Setting Up the Depreciation Method

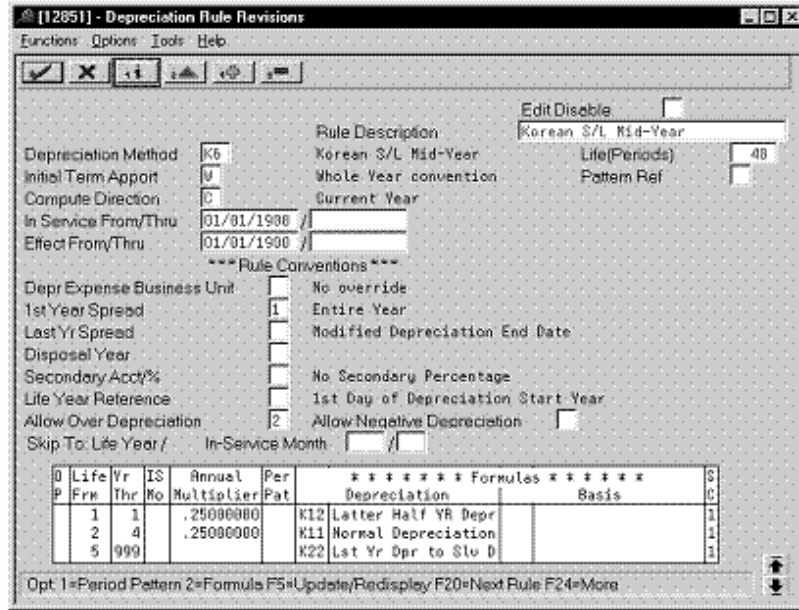
On Depreciation Rule Revisions, set up the depreciation method.

Setting up the depreciation method includes the following tasks:

- Setting up reference information and conventions
- Attaching the formulas to depreciation method K6

8.13.2.1 Setting Up Reference Information and Conventions

Figure 8-65 Depreciation Rule Revisions screen (Reference)



Complete the following fields with the values indicated below:

| Field | Value |
|-------------------------|---------------------|
| Depreciation Method | K6 |
| Rule Description | Korean S/L Mid-Year |
| Life (Periods) | 48 |
| Initial Term Apport | W |
| Compute Direction | C |
| 1st Year Spread | 1 |
| Allow Over Depreciation | 2 |

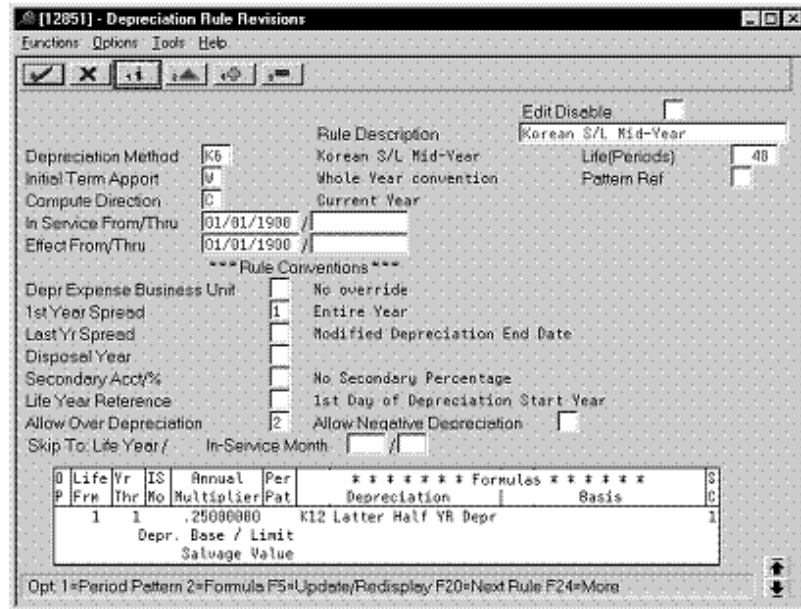
8.13.2.2 Attaching the Formulas to Depreciation Method K6

Attach the following formulas to the depreciation method:

- First Record: Life Year 1
- Second Record: Life Years 2 through 4
- Third Record: Life Years 5 through 999

First Record: Life Year 1

Figure 8-66 Depreciation Rule Revisions (Life Year 1)

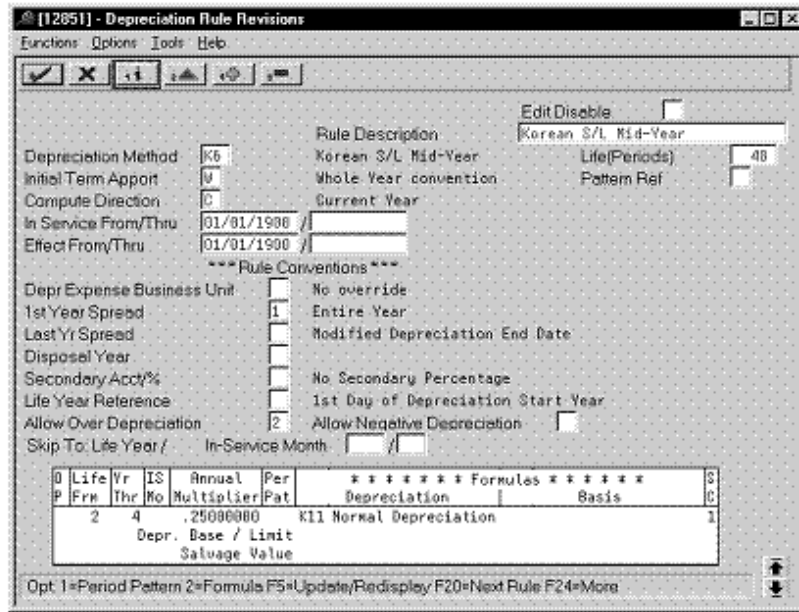


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 1 |
| Life Yr Thr | 1 |
| Annual Multiplier | .25000000 |
| Depreciation | K12 |
| SC (Secondary Percentage Continuation) | 1 |

Second Record: Life Years 2 through 4

Figure 8-67 Depreciation Rule Revisions screen (Life Years 2 through 4)

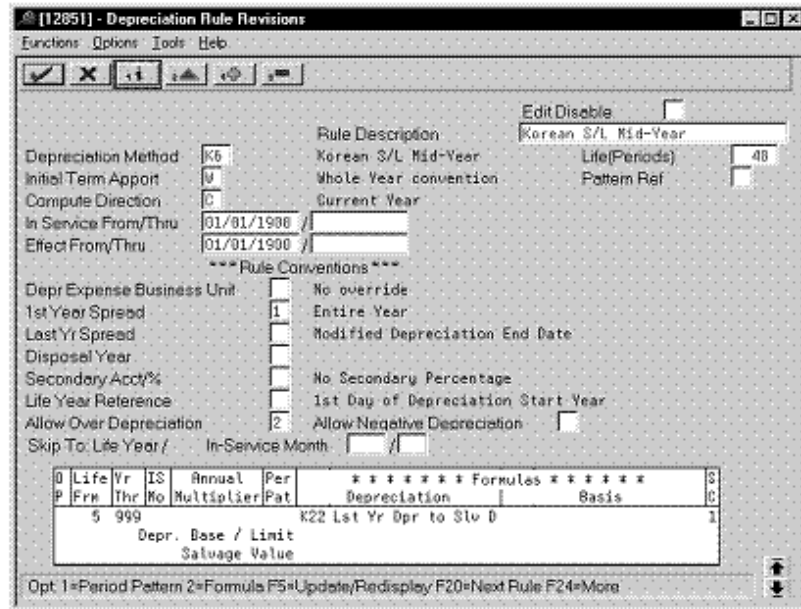


Complete the following fields with the values indicated below:

| Field | Value |
|--|-----------|
| Life Yr Frm | 2 |
| Life Yr Thr | 4 |
| Annual Multiplier | .25000000 |
| Depreciation | K11 |
| SC (Secondary Percentage Continuation) | 1 |

Third Record: Life Years 5 through 999

Figure 8-68 Depreciation Rule Revisions screen (Life Years 5 through 999)



Complete the following fields with the values indicated below:

| Field | Value |
|--|-------|
| Life Yr Frm | 5 |
| Life Yr Thr | 999 |
| Depreciation | K22 |
| SC (Secondary Percentage Continuation) | 1 |

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