

# Learning Module 7: Analysis of Long-Term Assets

## FINANCIAL STATEMENT ANALYSIS

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testing

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$$\text{Estimated total useful life} = \text{Time elapsed since (purchase Age)} + \text{Estimated remaining life}$$

$$\text{Estimated total useful life} = \frac{\text{Historical cost}}{\text{annual depreciation expense}}$$

$$\text{Historical cost} = \text{Accumulated depreciation} + \text{Net PPE}$$

$$\text{Estimated total useful life} = \text{Estimated age of equipment} + \text{Estimated remaining life}$$

$$\frac{\text{Historical cost}}{\text{annual depreciation expense}} = \frac{\text{Accumulated depreciation}}{\text{annual depreciation expense}} + \frac{\text{Net PPE}}{\text{annual depreciation expense}}$$

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$$\frac{\text{Estimated total}}{\text{useful life}} = \frac{\text{Time elapsed since purchase}}{\text{purchase Age}} + \frac{\text{Estimated}}{\text{remaining life}}$$

$$\frac{\text{Estimated total}}{\text{useful life}} = \frac{\text{Historical cost}}{\text{annual depreciation expense}}$$

$$\text{Historical cost} = \text{Accumulated depreciation} + \text{Net PPE}$$

$$\frac{\text{Estimated total}}{\text{useful life}} = \frac{\text{Estimated age of equipment}}{\text{remaining life}} + \frac{\text{Estimated}}{\text{remaining life}}$$

$$\text{Historical cost} \div \text{annual depreciation expense} = \frac{\text{Accumulated depreciation}}{\text{annual depreciation expense}} + \frac{\text{Net PPE}}{\text{annual depreciation expense}}$$