



**Solution**

Cost of Boiler	25,000
Carriage & freight	5,000
Brokerage	1,000
Installation expenses	3,500
Iron pad	500
	<b>35,000</b>
Depreciation @ 10% for Year-1	3,500
Balance of Machinery Account at the end of Year-1	<b>31,500</b>
Depreciation @ 10% for Year-2	3,150
Balance of Machinery Account at the end of Year-2	<b>28,350</b>
Depreciation @ 10% for Year-3	2,835
Balance of Machinery Account at the end of Year-3	<b>25,515</b>
Sale Consideration	30,000
Profit on sale of Machine	<b>4,485</b>
	<b>4,485</b>