



Solution

RAHUL TRADERS

Cost of machine	25,000
Carriage & freight	5,000
Brokerage	1,000
Installation	4,000
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	35,000
Depreciation @ 10% for Year-1	1,750
Balance of Machinery Account at the end of Year-1	<hr/>
	33,250
Depreciation @ 10% for Year-2	3,325
Balance of Machinery Account at the end of Year-2	<hr/>
	29,925
Depreciation @ 10% for Year-3	2,993
Balance of Machinery Account at the end of Year-3	<hr/>
	26,932
Sale Consideration	30,000
Profit on sale of Machine	<hr/>
	3,068
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