

For depreciation based on present values with depreciation charges depending on each other, the following data are given:

$CI_0 := 789456.00$  Initial investment

$n := 5$  Useful life

$PI_0 := 101$  Price index at the time of purchase

$PI_1 := 103$  Price index at the time of the first depreciation

$PI_2 := 106$  Price index at the time of the second depreciation

$PI_3 := 110$  Price index at the time of the third depreciation

$PI_4 := 112$  Price index at the time of the fourth depreciation

$PI_5 := 115$  Price index at the time of the fifth depreciation

Which is the depreciation charge at the end of each year, if straight-line depreciation is applied? For doing this, no residual value at the end of useful life is taken into account.

$$\text{Cumulated\_Depreciation1} := \frac{PI_1}{PI_0} \cdot CI_0 \cdot \frac{1}{n}$$

$$\text{Cumulated\_Depreciation1} = 161017.76$$

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$$\text{Cumulated\_Depreciation2} := \frac{PI_2}{PI_0} \cdot CI_0 \cdot \frac{2}{n}$$

$$\text{Cumulated\_Depreciation2} = 331415.19$$

$$\text{Depreciation2} := \text{Cumulated\_Depreciation2} - \text{Cumulated\_Depreciation1}$$

$$\text{Depreciation2} = 170397.43$$

$$\text{Cumulated\_Depreciation3} := \frac{PI_3}{PI_0} \cdot CI_0 \cdot \frac{3}{n}$$

$$\text{Cumulated\_Depreciation3} = 515882.14$$

$$\text{Depreciation3} := \text{Cumulated\_Depreciation3} - \text{Cumulated\_Depreciation2}$$

$$\text{Depreciation3} = 184466.95$$

$$\text{Cumulated\_Depreciation4} := \frac{PI_4}{PI_0} \cdot CI_0 \cdot \frac{4}{n}$$

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$$\text{Cumulated\_Depreciation4} = 700349.09$$

$$\text{Depreciation4} := \text{Cumulated\_Depreciation4} - \text{Cumulated\_Depreciation3}$$

$$\text{Depreciation4} = 184466.95$$

$$\text{Cumulated\_Depreciation5} := \frac{\text{PI}_5}{\text{PI}_0} \cdot \text{CI}_0 \cdot \frac{5}{n}$$

$$\text{Cumulated\_Depreciation5} = 898885.54$$

$$\text{Depreciation5} := \text{Cumulated\_Depreciation5} - \text{Cumulated\_Depreciation4}$$

$$\text{Depreciation5} = 198536.46$$