

VDB Depreciation Question

Source:

<http://www.tech-archive.net/Archive/Excel/microsoft.public.excel.worksheet.functions/2006-10/msg00100.html>

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Hi All,

I understand that if you set the no_switch argument of the VDB function to false, your calculation will switch to straight line (SLN) once SLN is greater than the declining balance.

However, I cannot seem to get this to work. By way of example:

=SLN(2400,300,10) equates to 210 of depreciation expense per year (for ten years).

=VDB(2400,300,10,0,1,2,FALSE) equates to the following depreciation expenses per year:

Year 1 480.00
Year 2 384.00
Year 3 307.20
Year 4 245.76
Year 5 196.61
Year 6 157.29
Year 7 125.83
Year 8 100.66
Year 9 80.53
Year 10 22.12

My question is why doesn't this formula switch to straight-line in year 5 when the VDB balance is obviously less than straight-line???

Any guidance would be much appreciated!

Kevin

—
KRP

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