

# Unit 7 — Depreciation and Amortization



## Accelerated depreciation

a term used to show that the reduction of an asset's value happens faster at the start of its useful life than at the end

"Assets like vehicles lose a lot of value in the first year of their life, which is why accelerated depreciation is such a useful tool."

## Accrual accounting

an accounting method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur

"The accountant advised to operate an accrual accounting system for the small start-up, as he said it gave a more accurate picture of the true financial state."

## Allocate

distribute according to an existing plan

"After studying the budget, it was clear that the marketing department had been allocated more than was needed."

**Thank you for your interest!**

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