

**28.3 An exercise on accounts concerning depreciation**

Apart from looking at their different names, how could you tell the difference between a Provision for Depreciation Account and a Depreciation Expense Account?

**Response**

The Provision for Depreciation Account should carry a CR balance (it shows the value to be deducted from Fixed Asset Cost, which is an asset).

The Depreciation Expense Account should carry a DR balance (as an expense, it shows the fixed asset value consumed in the period).