

ceases to be useful, and the time when the article will go out of use. But this value is dependent too upon the probable life of a new article of the same kind. The remaining value of several articles with the same expectancy of which one is in the 10-year life class, another in the 20-year class and another in the 40-year class will not be the same, because the proportional service yet to be expected when compared with that of new articles will, in these cases, vary inversely as 10 to 20 to 40, and the remaining values will depart widely from each other. If the expectancy, for example, of each of three such articles is 5 years, and 6 per cent interest be made the basis of the calculation, the remaining values will be 57.23 per cent, 36.73 per cent and 28.00 per cent of the cost of replacement. The article with the probable life new of 10 years has the highest value for the reason that its remaining service years are a larger proportion of its probable life new than in the case of the other two articles with longer probable life new.

#### Illustration of the Use of Table 27

What amount at the end of the 26th year will be in a sinking fund for the retirement of a bond issue of \$100,000 running 40 years, if the money accumulating in the sinking fund earns 6 per cent per annum?

On page 361 in the 40-year life section of Table 27 at year 27 (beginning of year 27 is the end of year 26) in the left-hand column, the accrued amortization in the 6 per cent column for each \$100 will be found to be \$41.1637. Consequently, the amount in the sinking fund to retire \$100,000 will be \$41,163.70. The amount which will be added to the sinking fund in the 27th year will be \$2939.60.

Let it be assumed that by any means, such as inspection by experts, the probable remaining term of usefulness of an electric generator 13 years old has been found to be 11 years and that the type of generator to which it belongs has a probable life new of 20 years. What at 6 per cent interest is the accrued depreciation if the cost of the generator was \$3000 and what is its re-

