

**Chart of Difference between Expected and Unexpected obsolescence**

| Basis of Difference         | Expected Obsolescence                                                                       | Unexpected Obsolescence                                                                              |
|-----------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Meaning</b>              | It refers to the fall in the value of fixed assets due to a change in technology or demand. | It refers to the fall in the value of fixed assets due to natural calamities and economic recession. |
| <b>Reasons</b>              | For this, change in technology and demand are the main reasons.                             | For this, Natural calamities and economic recession result in this obsolescence.                     |
| <b>Part of depreciation</b> | Considering this loss, It is regarded as a part of depreciation.                            | In this respect, It is not regarded as a part of depreciation.                                       |
| <b>Capital loss</b>         | Here, the loss due to this is added as consumption of fixed assets.                         | Here, the loss due to this is added to a capital loss.                                               |
| <b>Management</b>           | It is managed through a depreciation reserve fund.                                          | It is managed through the insurance of fixed assets.                                                 |
| <b>Prediction</b>           | In this regard, the producers can predict the loss through their experience and knowledge.  | In this respect, the loss cannot be predicted before.                                                |