

# ACCOUNTING EQUATION

## 1. Complete the accounting equations:

a.  +  =

Plant and Machinery, Creditors, Capital

b.  -  =

Furniture, Bank Overdraft, Capital

c.  -  =

Debtors, Loan, Capital

## 2. Identify which of the following transactions would be debited or credited:

Increase in furniture and fixtures

Decrease in creditors

Increase in capital

Decrease in expenses

Profit earned
