

# ACCOUNTING EQUATION

## 1. Complete the accounting equations:

a.

$$\boxed{\quad} + \boxed{\quad} = \boxed{\quad}$$

Plant and Machinery, Creditors, Capital

b.

$$\boxed{\quad} - \boxed{\quad} = \boxed{\quad}$$

Furniture, Bank Overdraft, Capital

c.

$$\boxed{\quad} - \boxed{\quad} = \boxed{\quad}$$

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