

| Situation   | Effect    | Reason  |
|---|-----------|---|
| (i) Obtained a loan from 1CICI Bank<br>₹1,00,000 payable after 5 yrs.           | Increase  | Debt will increase, Equity will not change        |
| (ii) Purchased machinery for cash<br>₹1,50,000                                  | No Change | Neither debt nor equity are affected.             |
| (ii) Redeemed 9% debentures ₹1,00,000,  | Decrease  | Debt will decrease while equity will remain same. |
| (iv) Issued equity shares for purchase of machinery of ₹5,00,000 to the vendors | Decrease  | Equity will increase, debt remain same.           |

