



S.N.	Transactions	Assets			=	Capital + Liabilities	
		Cash + ₹	Stock + ₹	Machinery ₹	=	Capital + ₹	Creditors ₹
(i)	Started business with cash ₹70,000	70,000			=	70,000	
(ii)	Credit purchase of goods ₹18,000		18,000		=		18,000
	New Equation	70,000	18,000	-	=	70,000	18,000
(iii)	Payment made to creditors in full settlement ₹17,500	-17,500			=	500	-18,000
	New Equation	52,500	18,000	-	=	70,500	-
(iv)	Purchase of machinery for cash ₹20,000	-20,000		20,000	=		
	New Equation	32,500	18,000	20,000	=	70,500	-
(v)	Depreciation on machinery ₹2,000			-2,000	=	-2,000	
	New Equation	32,500	18,000	18,000	=	68,500	-