

Question #66390, Economics / Economics of Enterprise

The owner invest R870 000 in the business
Bought equipment for R26 000 cash
Borrowed R50 000 from the bank
Bought stock for R44 000 cash
Paid R10 000 of the loan

what is the accounting equation

Answer:

	Assets	=	Liabilities	+	Owners' Equity
The owner invest R870 000 in the business	870000				870000
Bought equipment for R26 000 cash	-26000+26000				
Borrowed R50 000 from the bank	50000		50000		
Bought stock for R44 000 cash	-44000				-44000
Paid R10 000 of the loan	-10000		-10000		
Balance	866000			866000	