Indicate the effect of each transaction on the ratio (Time Interest Earned) (Debt ratio) (Debt to equity ratio) and (Debt to Tangible net worth). Use + to indicate increase and – to indicate decrease and 0 for no effect. Assume an initial time interest earned of more than 1, and a debt ratio, debt/equity ratio, and total debt to tangible net worth of less than 1.

1. Purchase of buildings financed by mortgage
2. Purchase of inventory on short term loan at 1% over prime rate
3. Declaration and payment of cash dividend
4. Declaration and payment of stock dividend
5. Firm increase profit by cutting cost of sales
6. Appropriation of retained earnings
7. Sales of common stock
8. Repayment of long-term bank loan
9. Conversion of bonds to common stock outstanding
10. Sale of inventory at greater than cost

