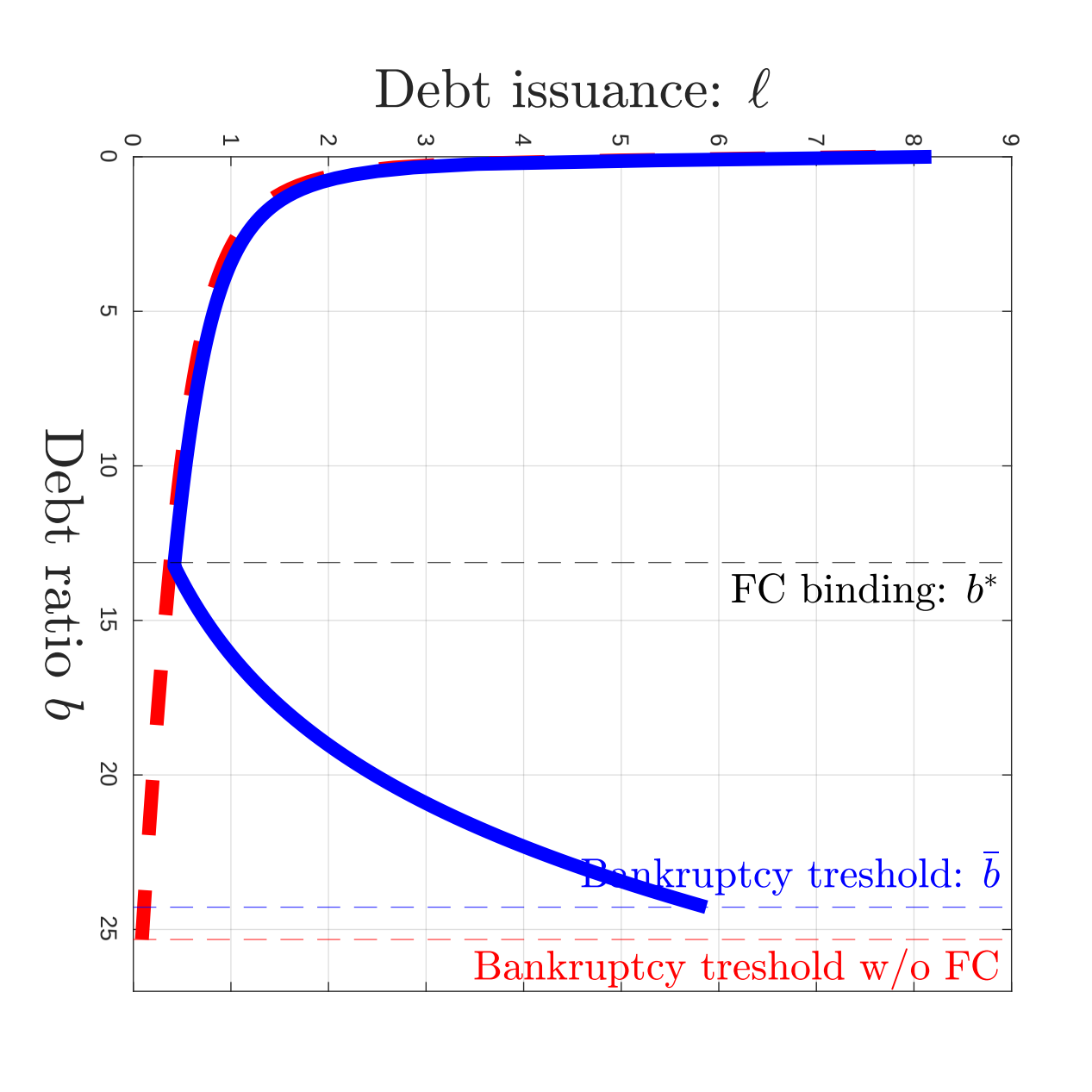
Debt issuance: ℓ
Debt ratio b
0
1
2
3
4
5
6
7
8
9
0
5
10
15
20
25
FC binding: b^*
Bankruptcy treshold: $\bar{b}$
Bankruptcy treshold w/o FC