

**Financial Reporting and Analysis** 

- **Q:** All other things held constant, which of the following transactions will increase a firm's current ratio if the ratio is greater than one?
- a Accounts receivable are collected and the funds received are deposited in the firm's cash account.
- **b** Fixed assets are purchased from the cash account.
- Accounts payable are paid with funds from the cash account.



INTERMEDIATE

EAS)

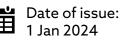
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