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Session 2022-23
Main
Zone-1, Set-1

Q-33*



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Situation	Effect	Reason
(i) Conversion of 3,00,000, 9% debentures into equity shares.	Reduce	Current assets as well as Current Liabilities would increase by the same amount.
(ii) Cash received from debtors ₹1,00,000	Improve	Current assets would increase, while current liabilities remain the same.
(iii) Redemption of 10,00,000, 11% debentures.	No change	Both Current assets and Current liabilities remain the same.
(iv) Purchase of goods on credit ₹4,00,000.	Improve	Current assets would increase whereas there would be no change in Current Liabilities.

