

Determining if an obligation is a current liability requires careful consideration of certain conditions. Examine the following five conditions, and determine what other conditions must be met before the obligation would be deemed current (Condition A is done as an example):

<i>Condition:</i>		<i>Other Conditions to meet:</i>
A	Obligation is due within one year	C, D, or E
B	Obligation is due within the operating cycle	
C	Obligation requires the use of current assets	
D	Obligation results in the creation of another current liability	
E	Obligation to be satisfied by providing services	