FIRST TERM E-LEARNING NOTE

SUBJECT: COMMERCE **CLASS: SS 2**

SCHEME OF WORK

WEEK	TOPIC
1	Credit – Credit Sales and Deferred Payment.
2	Credit – Hire Purchase, Leases, Mortgages etc.
3.	Purchase and Sale of goods – Main documents used.
4.	Purchase and Sale of goods – Terms of Trade, Terms of Payment, Common Abbreviations.
5.	Means of Payment
6-7	Consumer Protection
8-10	Limited Liability Companies
11	Revision
12	Examination

WEEK ONE
TOPIC: CREDIT

CONTENT

- Definition of Credit
- Basis for Credit
- Credit Sales
- Deferred Payment

CREDIT

Credit is any arrangement made with a shop, bank, trader, business organization etc. that makes it possible for money, goods or services to be obtained and payment deferred to a future date/time.

BASIS FOR CREDIT

(i) Personal integrity of the customer
(ii) Level of income of the customer
(iii) Nature and reliability of the customer's job or business
(iv) Personal financial commitment of the customer
(v) Sources of credit repayment

TYPES OF CREDIT

1. CREDIT SALES:

This simply means the transfer of goods and services from a seller to a buyer without any payment being made immediately. The buyer takes possession of the goods with a promise to pay at a future date. Payment by the buyer could be made installmentally or all at once.

Advantages of Credit Sales to the Seller

a. Increase in sales or turnover
b. Increase in profit i.e. the seller makes more profit
c. The seller sells at a higher price
d. It reduces the risk of holding stock e.g. risk of fire, theft, obsolescence
e. It quickens the disposal of perishable and timed goods.

Disadvantages of Credit Sales to the Seller

1. The seller has more of his capital tied up in debts
2. There is risk of…