

Credit Sales

Assessment Task

Selling on credit (Pair activity) (LO3 AS6)

Indicate whether the following statements are true or false. You might have to do research to find some of the answers. [8 marks]

- a) When you sell on credit you will be able to sell more stock, because customers won't have to wait until they have cash to buy.
- b) A retail business usually has more cash customers than credit customers.
- c) Accepting a credit card means that you sell on credit.
- d) Farmers usually buy their seeds, fertilisers and other input products for cash.
- e) Offering credit means that you gain goodwill and loyalty from your customers.
- f) Retailers can apply for a trade discount when they buy trading stock on credit.
- g) When retailers sell on credit, they get their money immediately.
- h) Customers will be more likely to buy from someone who is willing to extend credit to them than from someone who only demands cash.