

Cash Transaction: This occurs when goods are bought and the money is paid immediately. In a situation like this the seller issues a receipt to the buyer as evidence of payment.

Quotation or price list: This is the letter a seller sends to the buyer in request to the enquiry. The seller sends a catalogue which will show the description of the goods. The marketing or sales department is responsible for preparation of a quotation or price list.

Order: When the buyer receives a quotation from the seller, he prepares an order. An order is a firm request for buying goods or services. A number of copies are prepared, one to the seller, one to account department of the buyer and the last copy is kept by the department that needs the product.

Invoice: An invoice is a document which shows a list of goods sent or services provided, with a statement of the sum due for the goods. It shows the discount and amount owed by the customer. It is usually prepared in quadruplicates (4 copies). The original is sent to the customer as notification that payment is needed. The second is used as advice note. The third is sent to the warehouse staff for despatch to the customer. The fourth is retained by the supplier.

Delivery Note: This is a note sent to ensure the goods ordered for have been delivered as per invoice. The delivery notes contains the following :

1. Quantity of goods delivered
2. Date of delivery
3. Signature of the person delivery the good
4. Signature of the receiver

Receipt : this the document of transaction of payment of goods services. It is used by the seller to the buyer. The payment may be in cash or by cheque. The receipt usually contains the following

1. The name of the seller
2. Date
3. The nature of goods or services
4. The quantity of goods
5. The signature of the buyer and seller.

Assignment

1. Show me with a sketch the sample of a quotation of any product of your choice.