

NAME:- AMAN KALRA
ROLL No:- 1904140700004

02-07-2020

①

SECTION - 1

1:-

• TRADE CREDIT:-

Trade credit is a loan extended by one trader to another when the goods & services are bought on credit. Trade credit facilitates the purchase of supplies without immediate payment.

Trade credit is commonly used by business organisations as a source of short-term financing as a whole. This helps a business to grow fastly.

• Accrued Expenses:-

Accrued Expenses are liabilities that reflect expenses that have not yet been paid or logged under accounts payable during an accounting period, whereas a company's

obligation to pay for goods and services that have been provided for which invoices have not yet been received. Examples would include accrued wages payable, accrued sales tax payable and accrued rent payable. There are 2 general types of accrued liabilities Routine & recurring infrequent or non-routine.

• DEFERRED INCOME:-

Deferred Income is when we receive payment by a customer for something, but haven't actually earned the income. It would occur in a situation where a customer is paying the advance for goods & services that are going to deliver in future and no income is earned as a whole.