

Fold each printed sheet in half lengthwise. The left side of the document will list the term and the right side will list the definition. Tape or staple the open edges of your flashcards. Cut out your flashcards on the solid lines indicated and fold them on the dotted lines.

Module 7

Section D: Understand Finance, Payment, Currency, and Tax Options/Implications

Term

Bill of exchange payment

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A promissory note that the importer uses to formally acknowledge its debt to the exporter. Syn.: draft.

Module 7

Section D: Understand Finance, Payment, Currency, and Tax Options/Implications

Term

Cash in advance payment

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Payment by the importer to the exporter before the exporter ships the goods, providing the maximum protection to the exporter and no protection to the importer.

Module 7

Section D: Understand Finance, Payment, Currency, and Tax Options/Implications

Term

Incoterms

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A series of pre-defined commercial terms published by the International Chamber of Commerce relating to international commercial law. These terms do not cover property rights.

Module 7

Section D: Understand Finance, Payment, Currency, and Tax Options/Implications

Term

Open account payment

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A method of payment for goods shipped in advance of payment, in which the buyer or importer sends the seller or exporter an invoice requesting payment by a certain date.

Module 7

Section D: Understand Finance, Payment, Currency, and Tax Options/Implications

Term

Terms of trade

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The portion of a contract of sale that specifies the responsibilities of the seller or exporter and the responsibilities of the buyer or importer, especially the point at which one party's responsibilities end and the other party's responsibilities begin (including the point at which title to the goods is transferred). Commonly specified using International Commercial Terms (Incoterms[®]).