

Cash rebate research paper example

[Business](#), [Company](#)



A partial refund given to customers in actual currency for a purchase transaction that took place within a specified time is what is referred to as a cash rebate. The purpose of cash rebates is to eliminate stock or inventory remaining with a supplier without reducing the listed price. Other cash management techniques similar to cash rebates include expense tracking, use of a credit line, electronic funds transfer, investment in marketable securities and maintaining disbursement and collection float in a business. Practices such as cash rebate that are meant to manage cash are sound business decisions. These practices can be used to acquire and maintain a commanding share of the market. Issuing a cash rebate eliminates any idle inventory that do not earn revenue, which in turn free up cash that can be used in a profitable venture like short term marketable securities.

Cash rebates and other cash management practices are ethical actions by the business. This is because the business uses such practices in order to gain a competitive edge over its competitors. The practices are accepted in the field of business as a way to manage cash and avoidable expenses. The law require that rebates to be paid in full. However, the percentage of rebate that is paid is not 100% of the total. This is because actual payment are made to only those cash rebates that have been submitted by customers to the company.

I would recommend proctor & Gamble to use cash rebates when clearing idle stock in their business operation. The company is a leading company in manufacturing various beauty and personal effects. Use of a cash rebate can prove to be very beneficial in clearing most of the idle stocks of finished products.

Works Cited

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