

Assignment example

Finance



Assignment Assignment The Export-Import working capital program offers loans that consider the export accounts receivables and work in progress accounts. Many typical banks do not put such finances into considerations when business organizations apply for loans. The program appreciates that companies may have cash tied in global sales hence increase the company's borrowing base by considering the inventory and raw materials (Ambrose, Cheng & King, 2010). A good example is the Export-Import Bank of the United States, which is the official export credit bank in the U. S. Some of the benefits that such banks offer makes the program very effective in its operation.

The program effectiveness lies in the fact that it enables all companies whether large or small to get access to financing when converting exports to sales. Many businesses are currently using the program to help whenever they have emergencies in exporting their products yet they face cash deficit. Additionally, the U. S Export-Import Bank only fills the gap left in the financial market by the existing banks (Krahmer, 1990). That increases its effectiveness because businesses use it when under financial need.

The flexibility of the program makes it quite effective in use by the enterprise originations (Liu, 2011). As Liu (2011) reports, the program also offers other benefits such as enabling the applying company to purchase raw materials and a collection of accounts receivable. It also guarantees the provision of working capital to the firms at any moment. Additionally, the program reduces the bureaucracy involved in getting a loan. For instance, the application fee is approximately \$100 submitted with company's financial statements for at least the past one year. The time saved by having a short chain of procedures further makes the program effective in helping

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the business firms sort out their financial emergencies or needs.

References

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Liu, B. (2011). A Brief Discussion on Legal Guarantee of Industry Security in Foreign Capital Merger and Acquisition. *ASS*, 7(2). doi: 10. 5539/ass.

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