

Modern business essay

Business



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Modern Business 1Modern BusinessThe concept of business is no longer the same.

It has evolved over the time, from the days of the barter system. Business has become very competitive and strategic. The company needs to be always alert and need to give importance to its financials. The modern business does most of its financial transaction through the current account. The concept of current account is rather simple. It is just a media to transact cash. The account does not give any interest on the balance, but it provides many facilities. Depending on the bank the checking account comes with at-par checks which can be en-cashed at any branches of the bank without paying a charge.

Lot of banks now provides online transaction facility. A few banks provide overdraft facility, depending on the average current account balance of the company. In the modern retail scenario, all the retail companies deals primarily in cash and requires instant credit to its current account. It also depends on the check facility to pay its vendors and creditors. Transaction in cash is no longer viable, since it is not secure and do not have any document proof. Also paying in cash means an instant outflow of funds and this is not suited in the modern business scenario. The primary thing is to maintain a healthy current account with sufficient number of transactions, which will help the company to access further funds from loans and it gives the balance sheet a healthy look. Also, it is important to understand the importance of the checkbook, because, a checkbook provides a documentary evidence of outflow of funds.

Since a current account is primarily the mode of transacting cash, it gives the company a proof of the inflow and outflow of cash, and one can get an instant cash flow analysis. Thus, all companies, irrespective of its size and composition, in this modern business scenario are ardent followers of the checking account and checkbooks, and will always vouch for its importance, advantage and practical usage.