

Role of negotiable instruments

[Economics](#), [Money](#)



Role of negotiable instruments in boosting trade and commerce:
Negotiable instruments such as cheques, bills of exchange, promissory notes etc are playing a vital role in today's boosting trade and commerce. One of the reasons behind the expanding of the trade and commerce so rapidly is also the negotiable instruments. In trade the transactions are now becoming so much depending on the negotiable instruments. Where in commerce also the negotiable instruments are helping us in the following ways.

Helpful in Business: imagine how it is possible to get the business products for resale purpose without the use of money. This is happening just because of the negotiable instruments. Further suppose that you want to do a business of refrigerators but you do not have the money to purchase the refrigerators for resale purpose. And also if you do not have any other resource to get the money for purchase you can still purchase the products for your business purpose with the help of the negotiable instruments.

Negotiables such as promissory note and specially the bills of exchange are specially made for this purpose. Bills of exchange helping many people who do not have the money to spend money as capital in their business. No need to carry cash with you : Due to the negotiable instruments it is become so easy to make payments through negotiable instruments such as cheques etc so that the use of cash is not their because most of the times when you are taking cash with you anywhere it is not felt secure that because the cash may do theft by any one.

In other words you can say that negotiable instruments make us feel confident to deal at any place without the use of cash. Instant receipts and

payments of the dealings and transactions: We don't need to wait for days to get money from the bank and from the other places but instead of it we just have to pay in the form of negotiable instrument such as cheque etc so that the people to whom we have to pay would receive that amount instantly.