

JOB ROLE – SALES ASSOCIATE

Sector – RETAIL
(Qualification Pack Code: RAS/Q 0104)



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UNIT 2: PROCESS OF CREDIT APPLICATION

Session 03: Processing Credit Requisitions

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Session Objectives

The students will be able to:

- Describe the meaning of credit requisition and credit limit.
- Identify documents required for credit requisition.
- Explain the process of applications.

Meaning of Credit Requisition

When a requisition is made by a buyer to the seller to provide credit facility for the purchase of goods it is known as credit requisition.



Features of Credit Requisition

- A credit requisition is a request for credit.
- A valid credit requisition includes the amount and type of credit requested.
- It also includes the applicant's credit score, report and means of security for the loan.
- Normally, credit limits are prescribed by the vendor.

Meaning of Credit Limit

The credit limit means maximum amount of money extended through a line of credit and maximum amount of credit allowed to a customer to purchase in a retail store.



Credit Requisition Information

The Credit Requisition Document requires Information about the Following:

- The desired items or services.
- Possible vendors to fulfil order.
- Any budget quotations or proposals received.
- Delivery instructions..
- Capture initial capital details.
- Contact information.
- Related accounting detail.

Process of Applications

1. Identify the customer's needs and provide credit facilities.
2. Clearly explain about features and conditions of credit facilities to the customer.
3. The customer should submit the application, and the requisition must be approved by the retailer.

4. Promptly refer to difficulties in processing applications.
5. Once approved, the requisitions go to the Sales Manager for authorisation procedures.



Summary

In this session, you have learnt about the meaning of credit requisition, meaning of credit limit, credit requisition documents and process of credit applications.

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