



# COMMERCIAL BILL MARKET



- **The financial instrument which is traded in the bill market is called a bill of exchange. It is used for financing a transaction in goods that takes some time to complete.**



- It is like a postdated cheques drawn by sellers of goods on the buyers of goods for valued received.
- It is an important device for providing short term finance to trade and Industry.



# Classification



*They can be classified on the basis of:*

- **When they are due for payment.**
- **Whether documents to title of goods accompany them or not.**
- **The type of activity they finance.**



# Purpose



- **CBs are used for financing the movement and storage of goods between countries before exports and also within country.**
- **In India, it is used mainly for financing agricultural operations, SSIs etc.**