

Accounting Written Assignment: Sales and Accounts Receivables

The first article I analyzed was regarding concerns of an economic slowdown in the US's current economy, the article itself focused strongly on sales. There have been recent fears about a recession because of a "sharp sell off on Wall Street and partial inversion of the US treasury yield curve" (CNBC). According to this article, consumer spending "accounts for more than two thirds of the US economy" (CNBC). Since there is such a strong and steady increase in sales, this is actually a very positive sign for the country's economic state. Because of the nature of this time period, with the thanksgiving and Christmas holidays, there have been several extreme discounts and this encourages consumers to buy. The volume of sales occurring in the month of November is a strong indication of the current strength of the economy, easing concerns of the economy going into recession. Data to support this is found in the fact that US consumers gathered more momentum in the month of November in terms of generating sales, by buying a host of items such as electronics, clothing and furniture. In fact, according to The Commerce Department, today's data suggests that retail sales "surged 0.9 percent last month after an upwardly revised 0.7 percent increase in October" (CNBC). Additionally, this data suggests that consumer spending levels will continue this trend and increase in the next quarter as well. In class, we talked about net sales, gross sales and accounts receivables, and this article focuses on sales and net sales. It talked about what sales mean in terms of net gain, GDP and the overall condition of the economy. A specific example is that in class we talked about sales discounts. A large portion of the article is dedicated to this subject, how sales discounts encourage people to buy products, and how paying within a certain time period can sometimes give specific discounts. This, along with other incentives when it comes to sales discounts, can help spark an increase in sales.

The next article I studied was about a Fintech startup called YayPay, an organization that just raised "another 8.4 million for its software as a service solution focusing on collecting money from outstanding invoices (TechCrunch)." This article connects to the accounts receivable side of the material we learned in class. We talked in class about how businesses receive payment in terms of an accounts receivable all the time, and I always wondered how they are efficient and successful in making sure these receivables are actually closed out with cash. YayPay "analyses previous invoices and predicts when you're supposed to get paid depending on the client and the nature of the invoice (TechCrunch)." This way, a company can have the knowledge of when they should dedicate all their attention on a particular accounts receivable account. This maximizes efficiency and saves time, energy and resources. In addition, this company provides a platform to handle several tasks related to accounts receivables. A company can use YayPay to view information about each client in a direct manner, it can also create "automated

workflows so that your clients get an email a few days before the deadline....customers can also pay invoices directly using YayPay. The platform supports ACH and credit cards (TechCrunch).” These services are important when a multifaceted corporation providing several sales or services has many accounts receivables piling up in their accounts receivable balance and needs to properly track them. In class we learned about the financial aspect of accounts receivables. This article focuses on this subject, even expanding on the administrative side of it and answering a lot of my questions.

Sources

Reuters, “Retail Sales Rise in November, Diminishing Fears of Economic Slowdown,” *CNBC*, NBCUniversal, 14 December 2018, <https://www.cnbc.com/2018/12/14/retail-sales-november.html>

Dillet, Romain, “YayPay Raises 8.4 Million for its Accounts Receivable Service,” TechCrunch, Oath Tech Network, 12 December 2018, <https://techcrunch.com/2018/12/12/yaypay-raises-8-4-million-for-its-accounts-receivable-service/>