

CHAPTER 12B CONCEPT REVIEW WORKSHEET

Your Name _____

CREDIT AND COLLECTION LETTERS

1. Buying on credit means _____ now and _____ later.
2. When applying for credit, the credit application will ask for what types of information:
 - a. _____
 - b. _____
 - c. _____
 - d. _____
3. What is a person's overall financial reputation and history of financial responsibility called?

4. What is a credit agency's evaluation of a person's credit (based on reports from creditors) called?

5. What are the four Cs of credit that are used as a basis for extending credit?
 - a. _____
 - b. _____
 - c. _____
 - d. _____
6. A letter *granting* credit:
 - uses what approach?
 - what goes in the first sentence?
7. What are the two objectives of a letter *refusing* credit?
 - a. To say _____ tactfully
 - b. To keep the _____ of the customer
8. A letter *refusing* credit:
 - a. uses what approach? _____
 - b. what is the outline for this approach?
 - Par. 1 _____
 - Par. 2 _____
 - Par. 3 _____
 - Par. 4 _____

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9. What are some of the reasons an organization would refuse credit?

10. Messages that attempt to collect payment are referred to as _____ .

11. Collection letters have two objectives.

- a. To get the _____ owed by the _____ .
- b. To keep the customer's _____ and _____ .

12. Every communication in a collection series should include what two things?

- a. _____
- b. _____

13. A typical collection letter series is:

1st message: Statement of _____

2nd message: Impersonal _____

3rd message: _____

4th message: Request for an _____

5th message: _____ for payment

6th message: _____ for payment