

Lesson 14

Business Correspondence

In our day to-day life we exchange our ideas, thoughts and other information with our friends, relatives and other people. Sometimes we directly talk to them and sometimes we also write letters to them. In letters we express our feelings in a few words, we may ask for any information or we may write about a complaint in connection with our problems. Similarly businessmen also exchange ideas, information by writing letters. They communicate business information to customers, suppliers and others and at the same time receive a variety of letters from them. In this lesson let us know about different types of letters used in the process of business transactions.

14.1 Objectives

After studying this lesson, you will be able to:

- state the meaning of Business Correspondence;
- explain the importance of Business Correspondence;
- describe the essential qualities of a good business letter;
- identify the various parts of a business letter; and
- recognize the different types of letters used in business.

14.2 Meaning of Business Correspondence

Communication through exchange of letters is known as correspondence. We communicate our feelings, thoughts etc. to our friends and relatives through letters that may be called personal correspondence. A Businessman also writes and receives letters in his day to-day transactions, which may be called business correspondence. Business correspondence or business letter is a written communication between two parties. Businessmen may write letters to supplier of goods and also receive letters

from the suppliers. Customers may write letters to businessmen seeking information about availability of goods, price, quality, sample etc. or place order for purchase of goods. Thus, business letters may be defined as a media or means through which views are expressed and ideas or information is communicated in writing in the process of business activities.

14.3 Importance of Business Correspondence

Now-a-days business operations are not restricted to any locality, state or nation. Today production takes place in one area but consumption takes place everywhere. Since the businessmen as well as customers live in far off places they don't have sufficient time to contact each other personally. Thus, there arises the need for writing letters. In the past the situation was not so. Business letters were not essential in olden days. But now the importance of letters has increased because of vast expansion of business, increase in demand as well as supply of goods. Let us learn about the importance of business letters.

i) Help in maintaining proper relationship

Now-a-days business activities are not confined to any one area or locality. The businessmen as well as customers are scattered throughout the country. Thus, there is a need to maintain proper relationship among them by using appropriate means of communication. Here business letters play an important role. The customers can write letters to the businessman seeking information about products and businessmen also supply various information to customers. This helps them to carry on business on national and international basis.

ii) Inexpensive and convenient mode

Though there are other modes of communication like telephone, telex, fax, etc. but business information can be provided and obtained economically and conveniently through letters.

iii) Create and maintain goodwill

Sometimes business letters are written to create and enhance goodwill. Businessmen at times send letters to enquire about complaints and suggestions of their customers. They also send letters to inform the customers about the availability of a new product, clearance sale etc. All this results in cordial relations with the customers, which enhances the goodwill of the business.

iv) Serves as evidence

We cannot expect a trader to memorise all facts and figures in a conversation that normally takes place among businessmen. Through letters, he can keep a record of all facts. Thus, letters can serve as evidence in case of dispute between two parties.

v) Help in expansion of business

Business requires information regarding competing products, prevailing prices, promotion, market activities, etc. If the trader has to run from place to place to get information, he will end up doing nothing. It will simply result in loss of time. But through business letters, he can make all enquiries about the products and the markets. He can also receive orders from different countries and, thus enhance sales.

Intext Questions 14.1

- I. Fill in the blanks with suitable words.
- i. Business letters serve as a/an in case of dispute in business transactions.
 - ii. It is for the businessmen to remember all facts without correspondence.
 - iii. Business letters build for a businessman.
 - iv. Business letters are written to information.
 - v. Business letter is the most mode of communication.
- II. Given below are certain statements. Write 'T' against true statements and 'F' against false statements.
- i. Letter is a form of written communication.
 - ii. Through business letter personal contact can be maintained between buyer and seller.
 - iii. Business letters lead to decline the goodwill of the firm.
 - iv. Letter is a convenient and economic mode of communication.
 - v. Business letters do not help in removing misunderstanding between buyer and seller.
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14.4 Essential Qualities of a Good Business Letter

A letter should serve the purpose for which it is written. If a businessman writes a letter to the supplier for purchase of goods, the letter should contain all the relevant information relating to the product, mode of payment, packaging, transportation of goods, etc. clearly and specifically. Otherwise, there will be confusion that may cause delay in getting the goods. Again the quality of paper used in the letter, its size, colour etc. also need special attention, because it creates a positive impression in the mind of the receiver. We may classify the qualities of a good business letter as:

- a. Inner Qualities; and
 - b. Outer Qualities
- a) **Inner Qualities** - The inner qualities of a good business letter refer to the quality of language, its presentation, etc. These facilitate quick processing of the request and that leads to prompt action. Let us discuss the various inner qualities of a good business letter.
- (i) **Simplicity** - Simple and easy language should be used for writing business letters. Difficult words should be strictly avoided, as one cannot expect the reader to refer to the dictionary every time while reading letter.
 - (ii) **Clarity** - The language should be clear, so that the receiver will understand the

message immediately, easily and correctly. Ambiguous language creates confusion. The letter will serve the purpose if the receiver understands it in the same manner in which it is intended by the sender.

- (iii) Accuracy - The statements written in the letter should be accurate to, the best of the sender's knowledge. Accuracy demands that there are no errors in the usage of language - in grammar, spellings, punctuations etc. An accurate letter is always appreciated.
 - (iv) Completeness - A complete letter is one that provides all necessary information to the users. For example, while sending an order we should mention the desirable features of the goods, i.e., their quality, shape, colour, design, quantity, date of delivery, mode of transportation, etc.
 - (v) Relevance - The letter should contain only essential information. Irrelevant information should not be mentioned while sending any business correspondence.
 - (vi) Courtesy - Courtesy wins the heart of the reader. In business letters, courtesy can be shown/expressed by using words like please, thank you, etc.
 - (vii) Neatness - A neat letter is always impressive. A letter either handwritten or typed, should be neat and attractive in appearance. Overwriting and cuttings should be avoided.
- b) Outer Qualities** - The outer qualities of a good business letter refers to the appearance of the letter. It includes the quality of paper used, colour of the paper, size of the paper etc. Good quality paper gives a favourable impression in the mind of the reader. It also helps in documenting the letters properly. Let us discuss the various outer qualities of a good business letter.
- (i) Quality of paper - The paper used should be in accordance with the economic status of the firm. Now-a-days the cost of the paper is very high. Therefore, good paper should be used for original copy and ordinary paper may be used for duplicate copy.
 - (ii) Colour of the Paper - It is better to use different colours for different types of letters, so that the receiver will identify the letters quickly and prompt action can be taken.
 - (iii) Size of the paper - Standard size paper (A4) should be used while writing business letters. The size of the paper should be in accordance with the envelopes available in the market.
 - (iv) Folding of letter- The letter should be folded properly and uniformly. Care should be taken to give minimum folds to the letter so that it will fit the size of the envelope. If window envelope is used then folding should be done in such a way that the address of the receiver is clearly visible through the transparent part of the envelope.
 - (v) Envelope - The size and quality of the envelope also need special attention. The size of the letter should fit the size of the letters. The business firms use different types of envelopes i.e., ordinary envelope, window envelope, laminated envelope

etc. In window envelope there is no need to write the address of the receiver separately on the envelope. It is clearly visible through the transparent part on the face of the envelope, which may be called as window. In laminated envelope a thin plastic sheet or cloth is pasted on the inner side that gives extra protection to letters from being damaged during transit.

Intext Questions 14.2

I Fill in the blanks with suitable words.

- i) Apart from ordinary envelopes, we may also use _____ or _____ envelopes for sending business letters.
- ii) To make a letter courteous, words like _____ and _____ should be used.
- iii) Business letter should contain only _____ information.
- iv) Accuracy demands no error in the usage of _____
- v) Business letters should be always neat and _____ in appearance.

II. Match the following.

- | | |
|---|---------------|
| a) The receiver understands the message in the same way as intended by the sender | i) Relevance |
| b) There should be no errors in the usage of language in business letter. | ii) Courtesy |
| c) Relevant information should be provided in business letter | iii) Accuracy |
| d) Words of anger should not be used in any business letters. | iv) Clarity |

14.5 Parts of a Business Letter

We have discussed above the qualities of a good business letter. The quality will be maintained if we give proper attention to each and every part of the letter. Let us now learn about the different parts of a business letter.

The essential parts of a business letter are as follows:

1. **Heading** - The heading of a business letter usually contains the name and postal address of the business, E-mail address, Web-site address, Telephone Number, Fax Number, Trade Mark or logo of the business (if any)
2. **Date** - The date is normally written on the right hand side corner after the heading as the day, month and years. Some examples are 28th Feb., 2003 or Feb. 28, 2003.
3. **Reference** - It indicates letter number and the department from where the letter is being sent and the year. It helps in future reference. This reference number is given on the left hand corner after the heading. For example, we can write reference number as AB/FADept./2003/27.

Different parts of a business letter-

1. Heading
2. Date
3. Reference
4. Inside Address
5. Subject
6. Salutation
7. Body of the letter
8. Complimentary close
9. Signature
10. Enclosures
11. Copy Circulation
12. Post Script

4. Inside address - This includes the name and full address of the person or the firm to whom the letter is to be sent. This is written on the left hand side of the sheet below the reference number. Letters should be addressed to the responsible head e.g., the Secretary, the Principal, the Chairman, the Manager etc. Example:

M/S Bharat Fans Bharat Complex Hyderabad Industrial Complex Hyderabad Andhra Pradesh - 500032

The Chief Manager, State Bank of India Utkal University Campus Bhubaneswar, Orissa- 751007
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5. Subject - It is a statement in brief, that indicates the matter to which the letter relates. It attracts the attention of the receiver immediately and helps him to know quickly what the letter is about. For example,

Subject: Your order No. C317/8 dated 12th March 2003.

Subject: Enquiry about Samsung television

Subject: Fire Insurance policy

6. Salutation - This is placed below the inside address. It is usually followed by a comma (.). Various forms of salutation are:

Sir/Madam: For official and formal correspondence

Dear Sir/Madam: For addressing an individual

Dear Sirs/Dear Madam: For addressing a firm or company.

7. Body of the letter- This comes after salutation. This is the main part of the letter and it contains the actual message of the sender. It is divided into three parts.

(a) Opening part - It is the introductory part of the letter. In this part, attention of the reader should be drawn to the previous correspondence, if any. For example- with reference to your letter no. 326 dated. 12th March 2003, I would like to draw your attention towards the new brand of television.

(b) Main part - This part usually contains the subject matter of the letter. It should be precise and written in clear words.

(c) Concluding Part - It contains a statement the of sender's intentions, hopes or expectations concerning the next step to be taken. Further, the sender should always look forward to getting a positive response. At the end, terms like Thanking you, With regards, With warm regards may be used.

8. Complimentary close - It is merely a polite way of ending a letter. It must be in accordance with the salutation. For example:

Salutation	Complementary close
i. Dear Sir/Dear Madam	Yours faithfully
ii. Dear Mr. Raj	Yours sincerely
iii. My Dear Akbar	Yours very sincerely (express very informal relations.)

9. Signature - It is written in ink, immediately below the complimentary close. As far as possible, the signature should be legible. The name of the writer should be typed immediately below the signature. The designation is given below the typed name. Where no letterhead is in use, the name of the company too could be included below the designation of the writer. For example:

Yours faithfully
 For M/S Acron Electricals
 (Signature)
 SUNIL KUMAR
 Partner

10. Enclosures - This is required when some documents like cheque, draft, bills, receipts, lists, invoices etc. are attached with the letter. These enclosures are listed one by one in serial numbers. For example :

Encl: (i) The list of goods received
 (ii) A cheque for Rs. One Thousand dt. Feb. 27,2003 (Cheque No.....) towards payment for goods supplied.

11. Copy circulation - This is required when copies of the letter are also sent to persons apart of the addressee. It is denoted as C.C. For example,

C.C. i. The Chairman, Electric Supply Corporation
 ii. The Director, Electric Supply Corporation
 iii. The Secretary, Electric Supply Corporation

12. Post script - This is required when the writer wants to add something, which is not included in the body of the letter. It is expressed as P.S. For example,

P.S. - In our offer, we provide two years warranty.

Format of a Business Letter

Tel.	Name of the firm	E-mail:
Fax.	Postal Address	Website:
Ref.		Dated:
To	Name and address of the person to whom letter is sent	
	Subject:	

Salutation,

Opening part _____

_____.

Main part _____

_____.

Concluding part _____

_____.

Complementary close

Signature

(name)

Designation

Enclosures

CC-

PS-

Intext Questions 14.3

Fill in the blanks

- i. The complementary close must be in accordance with the _____.
- ii. Below the signature and name of the writer, his _____ is also written.
- iii. In the main part of the body of the letter _____ is written..
- iv. Dear Sir is the form of _____.
- v. The body of the letter is usually divided into _____ part(s).

After having some idea about the various qualities and different parts of a good business letter let us know about the different types of letter used in business correspondence.

14.6 Type of Business Letters

Business letters are written for the fulfillment of several purposes. The purpose may be to enquire about a product to know its price and quality, availability, etc. This purpose is served if you write a letter of enquiry to the supplier. After receiving your letter the supplier may send you details about the product as per your query. If satisfied, you may give order for supply of goods as per your requirement. After receiving the items, if you find that the product is defective or damaged, you may lodge a complaint. These are the few instances in which business correspondence takes place. Let us learn the details about some important business letters.

i. Business Enquiry Letter

Sometimes prospective buyers want to know the details of the goods which they want to buy, like quality, quantity, price, mode of delivery and payment, etc. They may also ask for a sample. The letter written to sellers with one or more of the above purposes is known as enquiry letter.

Specimen of Business Enquiry Letter

Tel. 23241053	M/s Acron Electricals	E-mail: elc@acr.vsnl.net.in
Fax.: 23244155	22/c, Main Road	Website: http://www.acronelec.com
	Darya Ganj, New Delhi-2	Fax.

Ref. PR/F/2002/27 Dated: July 27, 2002

M/s Bharat Fans
Bharat Complex
Hyderabad Industrial Estate
Hyderabad - 500032

Subject: Enquiry about the prices of fans

Dear Sir,

We are dealing in retail trade of electrical appliances. We would be interested in selling your product, Bharat Fans through our retail showroom.

Could you, therefore, send us your quotations and let us know the terms and conditions of payment.

Thanking you,

Yours faithfully,
For M/s Acron Electricals
Sd/-
(A.B.Kumar)
Partner.

Points to be kept in mind while writing letters of enquiry-

- Letters of enquiry should clearly state the information required, which may be asking for a price list or a sample.
- Write specifically about the design, size, quantity, quality, etc. about the product or service in which the buyer is interested.
- The period or the date, till which information is required, may also be mentioned.

ii. Quotation Letter

After receiving the letter of enquiry from a prospective buyer, the sellers supply the relevant information by writing a letter that is called quotation letter. These letters are written keeping in view the information asked for like price list, mode of payment, discount to be allowed etc. Businessman should reply to the inquiries carefully and promptly.

Specimen of Quotation Letter

Tel. 508632-35	M/s Bharat Fans	E-mail: bh@fan.vsnl.net.in
Fax. 508600	Bharat Complex	Website: http://www.bhfan.com
	Hyderabad Industrial Estate	
	Hyderabad - 500032	

Ref.-SL/F/2002/12 Dated: August 10, 2002

M/s Acron Electricals
22/c, Main Road
Darya Ganj, New Delhi-2

Subject: Your letter No. PR/F/2002/27 dated July 27, 2002

Dear Sir,

Thank you for your letter of enquiry. We would be glad to meet your requirements of selling our fan in your retail showroom.

Our quotations are given in the price list enclosed. We offer 10% discount on order above Rs. 50,000. Besides, we allow a grace period of 45 days for payment of dues to our regular customers.

We are confident that you will find our prices competitive and our terms and conditions reasonable. We look forward to meeting your requirements.

Thanking you,

Yours faithfully,
For M/s Bharat Fans
Sd/-
(Des Gupta)

Encl: Price List & Terms and Conditions

Sales Manager

Intext Questions 14.4

- I. Which of the following statements about business enquiry letters do you consider to be correct?
- By writing these letters, a buyer gets information about the prices of goods.
 - In business enquiry letter the writer cannot ask for sample of goods.
 - Here the writer doesn't give information about the quantity of possible purchases.
 - The seller supplies the relevant information to the buyer through such a business letter.
 - Letter written in response to business enquiry letter is called Quotation letter.

iii. Order Letter

In the previous section, we have studied about letters of enquiry and reply to enquiry i.e., quotation letter. The prospective buyer after receiving the reply to his enquiry letter may decide to place an order with that business house which offers goods at minimum price and at favourable terms and conditions. Letters written by a buyer to the seller giving the order to purchase the goods is called order letter.

Specimen of Order Letter

Tel. 3241053
Fax. 3244155

M/s Acron Electricals
22/c, Main Road
Darya Ganj, New Delhi-2

E-mail: elc@acr.vsnl.net.in
Website: <http://www.acronelc.com>

Ref. PR/F/2002/32

Dated: August 22, 2002

M/s Bharat Fans
Bharat Complex
Hyderabad Industrial Estate
Hyderabad - 500032

Subject: Your letter of quotation No. SL/F/2002/12 dated August 10,2002

Dear Sir,

Many thanks for your prompt reply to our enquiry letter of July 27, 2002. As we find your prices and terms quite reasonable, we wish to place a trial order as per the list enclosed.

As pointed out in our enquiry letter, quality is important. Should the goods meet our expectations, substantial orders will follow.

Payment will be made within the time limit prescribed in your quotation letter.

Thanking You,

Yours faithfully,
For M/s Acron Electrical
Sd/-
(A.B.Kumar)
Partner

Encl: Order List

iv. Complaint Letter

A complaint letter is written when the purchaser does not find the goods upto his satisfaction. It is normally written by the purchaser when he receives wrong, defective or damaged goods or receives incorrect quantity of goods. It can also be written directly to the transit authority when the goods are damaged in transit. Thus, we may define a letter of complaint as the letter that draws the attention of the supplier or any other party on account of supply of defective or damaged goods.

Points to be considered while writing a complaint letter-

- Complaint letters should be written immediately after receiving the defective goods.
- Mistakes as well as difficulty due to mistake should be mentioned clearly
- Proposal to correct the mistakes should be made
- Suggestions on how the complaint should be dealt with, i.e., mention of compensation, replacement, discount, cancellation etc, should be made.
- Mention period in which the corrective action should be taken
- Request to be careful in future.

Specimen of Complaint Letter

Tel. 3241053
Fax. 3244155

M/s Acron Electricals
22/c, Main Road
Darya Ganj, New Delhi-2

E-mail: elc@acr.vsnl.net.in
Website: <http://www.acronelc.com>

Ref. PR/F/2002/27

Dated: September 5, 2002

M/s Bharat Fans
Bharat Complex
Hyderabad Industrial Estate
Hyderabad - 500032

Subject: Complaint regarding fans

Dear Sir,

I would like to draw your attention to the fact that some fans are found missing in the parcel, dispatched by you, which I received today. It appears that the following items were not included.

Bharat fan super quality 3 (Three)

Bharat fan standard 2 (Two)

We will appreciate if the above fans are sent to us or the amount credited to our account.

Yours faithfully
 For M/s Acron Electrical
 Sd/-
 (A.B.Kumar)
 Partner

v. Recovery Letter

The letter written by the seller for collection of money for the goods supplied to the buyer is called recovery letter. The aim of recovery letter is to collect money without annoying the customers. The letter should include information regarding the amount of arrears argument for payment, and last date for payment. The language of recovery letter should be polite, so that the customer is not offended and future transactions with him are not adversely affected.

Specimen of Recovery letter

Tel. 508632-35
 Fax. 508600

M/s Bharat Fans
 Bharat Complex
 Hyderabad Industrial Estate
 Hyderabad - 500032

E-mail: bh@fan.vsnl.net.in
 Website: <http://www.bhfan.com>

Ref.-SL/F/2002/12

Dated: December 10,2002

M/s Acron Electricals
 22/c, Main Road
 Darya Ganj, New Delhi-2

Subject: Recovery of dues

Dear Sir,

We believe that the payment of our bill No. 1713 dated September 2,2002 must have escaped your attention. As the payment is due since long, we would appreciate if you send us your cheque immediately. Please let us know whether payment is being withheld for some special reasons.

Thanking you,

Yours faithfully,
 For M/s Bharat Fans
 Sd/-
 (Des Gupta)
 Sales Manager

Intext Questions 14.5

- I. Fill in the blanks with suitable words.
- (i) On receipt of defective goods, the buyer writes _____ to the seller.
 - (ii) On finding that the goods have been damaged in transit, the buyer writes complaint letter to _____ .

- (iii) Aim of recovery letter is to _____ from the buyer.
- (iv) Complaint letter is written by _____ to the _____.
- (v) Recovery letter draws the attention of the buyer towards the _____.

14.7 What You Have Learnt

- Correspondence plays an important role in our daily life. It is the means through which we exchange our ideas, thoughts and other information with our friends, relatives and other people.
- We know that business operations are not limited to any locality, state or nation. Since businessmen live at distant places they do not have sufficient time to contact their customers personally. This difficulty has been overcome by writing letters. This is a part of Business Correspondence.
- The importance of Business letters (i) It helps in maintaining proper relationship (ii) It is inexpensive and convenient mode of communication (iii) It creates and maintains goodwill (iv) It serves as evidence (v) It helps in expansion of business.
- The essential qualities of a Business letter are:

<ul style="list-style-type: none"> Inner Qualities Simplicity Clarity Accuracy Completeness Relevance Courtesy Neatness 	<ul style="list-style-type: none"> Outer qualities Quality of paper Colour of the paper Size of the paper Folding of letter Envelope
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- The essential parts of a Business letter are (i) Heading (ii) Date (iii) Reference (iv) Inside address (v) Subject (vi) Salutation (vii) Body of the letter (viii) Complimentary close (ix) Signature (x) Enclosures (xi) Copy circulation (xii) Post script.
- The various types of letters are:
 - i. Letter of enquiry
 - ii. Quotation letter
 - iii. Order letter
 - iv. Letter of complaint
 - v. Letter of recovery

14.8 Terminal Exercise

1. What is meant by business correspondence?
2. How is personal correspondence different from business correspondence?
3. Explain the importance of writing a business letter.
4. Describe the inner and outer qualities of a good business letter.

5. What is meant by Enquiry letter? What are the points one should remember while writing an enquiry letter.
6. Explain the various parts of a business letter with the help of a specimen.
7. What is meant by Quotation letter? How does it differ from enquiry letter?
8. What is meant by Recovery letter?
9. What is meant by Order letter? Give a specimen of an order letter.
10. What is meant by Complaint letter? Under which situations is a complaint letter written?
11. State the important points one should keep in mind while writing a complaint letter in business.

14.9 Key to Intext Questions

- 14.1** I. i. evidence ii. impossible iii. goodwill iv. seek or give v. convenient
II. i. T, ii. F, iii. F, iv. T, v. F
- 14.2** I. i. window, laminated ii. Please; Thank you, iii. relevant, iv. language, v. attractive
II. a. iv, , b. iii, c. i, d. ii
- 14.3** i. salutation, ii. designation, iii. Subject matter, iv. salutation, v. three
- 14.4** True. i, v False. ii, iii. iv.
- 14.5** i. letter of complaint, ii. Transit authority, iii. collect money, iv. Buyer, seller v. payment of outstanding amount.

Activity For You

- i. You want to buy a book from the Kalka Publication, which is situated at Kanchan Bazar, Hyderabad, Andhra Pradesh - 500030. Write a letter indicating your requirements.
- ii. Suppose you are the owner of a shop that sells ceiling fans. You received an enquiry letter from M/s Aakash Hotels, Connaught Place, New Delhi seeking information about the price and availability of fans. Write a letter in response to the enquiry made by M/s Aakash Hotels.