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**S.Y.B.COM**

**SEM-III**

**Subject**

**Businss Communication-I**

**Chapter 2**

**Business Letters**

# **BUSINESS COMMUNICATION**

## **Unit 2 - BUSINESS LETTERS**

### **INTRODUCTION-**

A business letter is usually a letter from one company to another, or between such organizations and their customers, clients and other external parties. The overall styles of letter depends on the relationship between the parties concerned. A business letter is the seed of prosperity. Business letter is a letter written in formal language (English). It is more formal than a personal letter. Business letter serve a reference for the future. Similarly businessmen also exchange ideas, information by writing letters. They communicate business information to customers, suppliers and others.

### **DEFINITION-**

#### **General-**

“The business letters are those letters which are useful for business purpose.”

#### **Ricks and Gow-**

“The primary purposes of business letters are to inform, instruct, request, inquire, remit, order, advice, correct and to question.”

### **FUNCTIONS OF BUSINESS LETTERS:-**

#### **1) To Inquire:-**

A business concern not only sends messages but also receive information from the outside. To run the business any firm need different types of information from outside. Through business letters, firms can inquire regarding necessary matters.

#### **2) Informational function:-**

Business letters provide valuable data about earlier policies, transactions and other activities of the organization , Modern business cannot depend on memory as in olden days. Business letters also give the information to others and also receive information from others. So it is a informational function of business letters

#### **3) Placing Order:-**

It is a very common purpose for using business letter. Both trading and manufacturing concerns need to place orders for finished goods or raw-materials to run business.

**4) Promotional Function:-**

Business organization have to grow and improving the quality of their products, by providing new product and better services. The customers have to be kept informed through letters these developments. So to promote sales and services by letters is a promotional function of business letters.

**5) Goodwill function:-**

Business letters promote goodwill among parties transacting business. They build a good rapport between parties in a business transaction.

**6) Legal Function :-**

Business letters can provide evidence in legal disputes, if any, that occurs in a transaction. They are useful as legal documents in quotations and offers.

**7) Problem Solving :-**

In the course of business, disputes and misunderstanding may arise. Business letters play vital role in solving such misunderstandings.

**IMPORTANCE OF BUSINESS LETTERS:-**

**1) Permanent Record:-**

A business letter acts as a permanent record which can be referred to when needed. It is not possible for a businessman to remember all the transactions and happenings of the day. Hence, it is essential to maintain a written record which the letter writing facilitates.

**2) Creation of Goodwill:-**

A good letter can open up new channels of business get better results from the customers, reduce bad debts and collect debts. This work can be done by writing letters inn courteous tone and language which creates reputation for the firm. So it's a importance of business letter.

**3) Promotion of Business :-**

In the modern age of machines, production is done on the large scale. In any organization, letters are written at all stages of production, administration and distribution. All activities performed through the medium of letters and its also resulting in promoting business. Every transaction through letter is also resulting for promotion of business.

**4) Collection of Overdue :-**

Business letters help in collecting the overdue whenever a credit facility is given to a customer. Then, he is supposed to pay the necessary amount within the period of credit, If the amount is not received within the stipulated time, the businessman has to send collection letters inn series.

**5) Legal Importance:-**

Business letters have a legal importance. A letter-properly written, properly dated and properly signed is treated as legal evidence in the court of law. A business letter becomes a documentary proof.

**6) Establishing business relationship :-**

Business letters are one of the tools used in maintaining the established business relationship and establishing new relationships. A good letter can create a favorable image of the company in the market. Business letters win the hearts of other business professionals.

**7) Removing misunderstanding :-**

A good business letter helps in removing misunderstanding between the business professionals or customers and service providers. When business organizations draft reply letter quickly, these letters help in bridging the communication gap between company and customers or clients.

**8) Useful for making complaints :-**

**QUALITIES OR ESSENTIALS OF A BUSINESS LETTER:-**

**A) Inner Qualities:-**

**B) Outer Qualities:-**

**A) Inner Qualities:-** Relates to language and presentation

**1) Clarity:-**

The language should be clear, so that the receiver will understand the message immediately, easily and correctly. Critical language creates confusion. So clarity must be require for business letters.

**2) Completeness :-**

A complete letter is one that provides full and all necessary information to the users. For examples, while sending an order we should mention the desirable features of the goods, i.e. their quality, shape, color, design, quantity and date of delivery etc.

**3) Courtesy:-**

Courtesy wins the heart of reader. In business letters, courtesy can be shown /expressed by using words like please, thank you etc.

**4) Relevance :-**

The letter should contain only essential information, irrelevant information should not be mentioned while sending any business correspondence.

**5) 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.

**6) 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.

**7) 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, punctuation etc., An accurate letter is always appreciated.

**B) Outer Qualities:-** Relates to appearance of letter( Quality of paper, color, size etc)

**1) 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.

**2) Color of the paper :-**

It is better to use different colors for different types of letter, so that the receiver will identify the letters quickly and prompt action can be taken.

**3) Size of 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.

**4) 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.

**5) 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 of write the address of the receiver separately on the envelope.

**PHYSICAL APPEARANCE OF BUSINESS LETTER:-**

**1) A Good Quality stationary :-**

It is advisable to use the best quality paper. Single sheets of plain paper unruled with the letterhead printed on top are best. For overseas mail sheets are used.

**2) Letterheads:-**

The letterhead should contain the firm's name, address and should indicate the nature of the business. Telephone numbers, cable addressed, branch addresses may be included in the letterhead.

**3) Margin:-**

The margin should be planned properly. If the letter is long, two sheets should be used instead of crowding the whole matter on one sheet. The body of the letter should start two spaces below the salutation and end two spaces above the complimentary closing.

**4) Typing:-**

Business letter should be typed in duplicate at least, one copy is meant for office record. The number of copies depends on the requirement of the firm. The letter should be typed neat and clean.

**5) Continuation Sheets:-**

Continuation sheets carrying on the top only the forms name and the word continuation are used if letters are long. On each additional sheet, the number of page should be typed but the date the addresses of the firm are not necessary.

**6) Envelopes:-**

The envelopes should match the quality and the soze of the paper used, It having three types i.e. window envelope, ordinary envelope, and laminated innvelope. The standard sized envelopes are 6.5 -3.5, but large size are 10-4.5 inches.

**LAYOUT/STRUCTURE OF BUSINESS LETTER:-**

**1) Heading:-**

The heading of a business letter usually contains the name and postal address of the business. E mail address, website address, telephone number, fax number, Trade mark or logo of the business.

**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 5<sup>th</sup> Dec.2018 or Dec.5<sup>th</sup>,2018 etc.

**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.

**4) Inside address:-**

This includes the name and full address of the person or e firm to whom the letter is to be sent. This is written on the left hand side of the sheet below the reference number. Letter should be addressed to the responsible head.

**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.

**6) Salutation:-**

This is places 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

-Opening part- It is the introductory part of the letter. In this part, attention of the reader should be drawn to the previous correspondence.

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

-Concluding Part- It contains a statement of the sender's intentions, hopes or expectations.

**8) Complimentary Close:-**

It is merely a polite way of ending a letter. It must be in accordance with the salutation. i.e. yours faithfully, Yours sincerely etc.

**8) Signature :-**

It is written in ink, immediately below the complimentary close. as far as possible, the signature should legible.

**9) Enclosures:-**

This is required when some documents like cheque, draft, bills receipts lists invoices etc.

**SYTLES /FORMS OF BUSINESS LETTERS:-.**

**1) Full Block Form:-**

In the full block style of business letters, all elements of the letter are flush with the left margin.

**2) Semi Block Form:-**

When using the semi block format, indent to the middle of the page to type the return address and the date. The insider letter and the greeting both remain left-justified. And other part is ordinary.

**3) Modified Block Form:-**

In the modified block form, indent to the center of the page before typing return address and the date. The insides address, greeting, and body of the letter are all left justified.

**4) Indented Form:-**

Indented style is somewhat more complicated than other popular styles of business writing. Indented styles is one of the older formats for business wiring currently in use.