

A Difference between the Cash? Price and Credit Price

Question: Is it permissible to make a lower price for an article and a higher price for the same item when it is sold on credit? Please explain in detail.

Answer: This will be permissible when it is made clear at the time when the deal is being made. It should be made clear that the cash price is a 100, while the credit price is 110. The buyer then needs to specify which option he intends taking. If he chooses credit, the credit period then needs to be specified. It is however not permissible to leave the transaction loose-ended by saying that he may buy the item at 100 for cash and 110 on credit (without him specifying his preferred option at the time of the deal) or that one month's credit will cost him 100 and two month's credit will cost 110. This is on account of the price remaining unspecified.

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