

Method	Time of payment	Goods available to buyer	Risk to seller	Risk to buyer	Comments
Cash with order (CWO) ¹	When placing the order (payment upfront)	Upon delivery	None	Buyer relies on seller to supply the quality & quantity of goods as ordered	<ul style="list-style-type: none"> • May apply to new customers • Special reasons, e.g. seller must purchase expensive materials before starting to manufacture² goods to buyer's specifications³ • Very common in online transactions
Cash/ Payment in advance (CIA/PIA) ⁴	Before shipment ⁵ (payment upfront)	After payment	None	Buyer relies on seller to supply the quality & quantity of goods as ordered	<ul style="list-style-type: none"> • Special reasons, e.g. seller must purchase expensive materials before starting to manufacture goods to buyer's specifications • Seller wants to "play safe"⁶
Cash on delivery (COD) ⁷	When goods are handed over to the buyer	Upon payment	None	None	<ul style="list-style-type: none"> • Payment is made to shipping company⁸ by cheque or electronic means⁹ • Often used in online transactions • Common form in everyday purchasing activities