

Chart of Difference between Discount and Rebate: -

Basis of Difference	Discount	Rebate
Meaning	The Discount is that amount which is granted by the seller of the goods and services to its buyer.	The Rebate is that amount which is granted by the seller of the goods and services to its buyer at the time of defect detected in the goods
Types	It has two types: 1. Trade Discount 2. Cash Discount	It has no type.
Purposes	It has two purposes i.e. for promoting the sale of goods and for receiving earlier payments.	It is granted for giving relief to the buyer
Timing	It is granted at the time of deal and payment	It is granted at the time of defect detected in the goods
Treatment on the Invoice	The trade Discount has deducted from the total value of goods while preparing Invoice and cash discount has not dedcuted.	it has no treatment while preparing an invoice.
Treatment in the Financial Books.	The trade Discount has not shown in the Financial books and cash discount has shown in the Financial Books.	It has shown in the financial books in the sperate account.