ABSTRACT

A monetary transaction is a business event, which has a monetary impact on the financial statements of a business and it is recorded in the accounting records of the business. It covers various aspects like, sale on cash to a customer, sale on credit to a customer, receive cash in payment of an invoice owed by a customer, purchase of fixed assets from a supplier, record the depreciation of fixed assets over time, purchase consumable supplies from a supplier, investment in another business and investment in the marketable securities.

The relationship of foreign direct investment is part of history of the two economies. Major ancient civilization and economic relationships are interconnected through their economic relationship. Restrictive trade economic relations are professional, but economic relations expanded. It has expanded in form of Foreign Direct Investment, Foreign Grants in Aids and Personal Transfer in terms of money. The economic transaction includes the monetary trade ties. It is ordinarily when an entity, usually a corporation, from the home state makes a physical investment in host state. This kind of investment involves building a factory and investment in machinery, equipment, and related corporate assets. Financial and service sector growth in the development of trade and investment in the country, foreign direct investment is a process. FDI in service sector, financial sector, growth in developing countries, and the financial and economic development depend on the rules. The Foreign Direct Investment of 'United States of America' has played important role in professional activities for increase in per capita income, GDP, economic development, and inflow of capital for India.