

ABSTRACT

This thesis is concentrated on historical and legal development of bills of exchange and promissory notes and its application in today's business life. It aims to summarize advantages and disadvantages of using bills of exchange and promissory notes and to describe situations where to be used in is recommended. The thesis given provides the procedure of using bills of exchange and promissory notes from its sign to the execution both for domestic and international business.

In this thesis, the abstraction, comparison, analysing and analogy are the methods used to describe the basement of the topic and advantages and disadvantages of using bills of exchange and promissory notes. The thesis includes decriptions of model situation and examples, both for domestic and international business relationships.

Bills of exchange and promissory notes are commercial papers with a tradition of a thousand years and as so it can be an ideal mean of doing business today, but it depends on kinds of business. In the international business transactions banks are common parts of the bill relationship, whereas for the domestic business typically small and medium entrepreneurs come into it as well, in a less complicated form of course. The form is very important part of the law of bills of exchange and promissory notes and its missing usually leads to invalidation of the instrument. On the other hand a huge variety of modification is given by the lawmaker and so business partners can choose widely, almost everything they desire, in this way, bills of exchange and promissory notes are quite flexible.

The thesis describes either the Czech law and the jurisprudence or the Law of the European Union (including the law of justice) and international treaties and contracts.

To sum up, it is very hard to either recommend or denied bills of exchange and promissory notes in general, it is absolutely necessary to think about every single case or relations and only then decide, whether it is useful and needed, because both using and not using them can cause big problems to the parts of the business relationship.