Cash Discount

@wikipedia

A phenomenon when the value of cash today is deemed by cash owners as higher than value of future cash.

It happens because it is already in hand and it can be spent by owner or can be invested in readily available low-risk investment market opportunities and assure a certain profit.

While future cash may not happen at all or may be lower than returns from readily available low-risk investment.

The quantitative value of discount is driven by Discount rate r as:

(1) $$\text{Discounted Cash Value} = \frac{\text{True Cash Value}}{1 + r}$$

See also

Economics / Investment / Financial Investment

[Cash and Cash Equivalent = CCE]

[Discount rate]