Solution:

JOURNAL ENTRIES (in $)			
Date	Particulars	Debit	Credit
(1)	Sale By Merchant		
	Bank Slip Receivable To Sales (Being sale of dress on VISA card.)	500	 500
(2)	Merchant's Bank		
(a)	Customer's Bank Receivables To Cash (Being merchant's deposit of slips.)	480	 480
(b)	Cash To Customer's Bank Receivables To Profit from Transaction (Being request for $500 from customer's bank.)	485	 480 5
(3)	Customer's Bank		
	Merchant's Bank Payable To Cash To Bank Slip Profit (Being payment of $500 request to merchant's bank.)	500	 485 15

(4)

In the above example, on the transaction of $500, the merchant's bank had a net profit of $20 (4% of sales) + $5 = $25 (almost 5% of the sales).

This means that there is always a higher margin of profit due to inter-bank transactions. Moreover, many banks also put a surcharge on bulk orders, which further increases their margin considerably.