

Chapter-9 Internal trade

- 1) Buying and selling of goods and services within the boundaries of a nation are referred to as _____ trade
- 2) Internal trade can be classified into two broad categories ,they are _____ trade and _____ trade.
- 3 Purchase and sale of goods and services in large quantities for the purpose of resale or intermediate use is referred to as _____ trade
- 4) The _____ trade represents the final stage in the distribution where goods are transferred from the hands of the manufacturers or wholesalers to the final consumers or users.
- 5) Purchase and sale of goods in relatively small quantities, generally to the ultimate consumers, is referred to as _____ trade.
- 6) Wholesalers take delivery of goods when these are produced in factory and keep them in their godowns/warehouses. They thus provide _____ utility
- 7) A retailer's most important service to the wholesalers and manufacturers is to provide help in the distribution of their products by making these available to the final consumers, who may be scattered over a large geographic area. They thus provide _____ utility.

7. Identify the service provided by wholesalers to Manufacturers:

1. The wholesale merchants deal in goods in their own name, take delivery of the goods and keep the goods purchased in large lots in their warehouses. In the process, they take the risk of fall in prices, theft, pilferage, spoilage, fire, block their capital in the stocks.
2. Sometimes wholesale dealers generally make cash payment for the goods purchased by them and advance money to the producers for bulk orders placed by them.
3. The wholesalers take care of the distribution of goods to a number of retailers who, in turn, sell these goods to a large number of customers spread over a large geographical area.
4. Wholesalers take delivery of goods when these are produced in factory and keep them in their godowns/warehouses.
5. Wholesalers collect small orders from a number of retailers and pass on the pool of such orders to the manufacturers and make purchases in bulk quantities.
6. As the wholesalers are in direct contact with the retailers, they are in a position to advice the manufacturers about various aspects including customer's tastes and preferences, market conditions, competitive activities and the features preferred by the buyers.
7. The wholesalers facilitate continuity of production activity throughout the year by purchasing the goods as and when these are produced and storing them till the time these are demanded

8. Identify the service provided by wholesalers to Retailers:

1. The wholesalers perform various marketing functions like advertising and other sales promotional activities to induce customers to purchase the goods.
2. Wholesalers inform the shopkeepers about the new products, their uses, quality, prices, etc. They may also advise them on the decor of the retail outlet, allocation of shelf space and demonstration of certain products

3. Retailers are able to purchase merchandise in smaller quantities and are in a position to avoid the risk of storage, pilferage, obsolescence, reduction in prices and demand fluctuations in respect of larger quantities of goods that they would have to purchase in case the services of wholesalers are not available.
4. The wholesalers generally extend credit facilities to their regular customers (retailers)
5. The wholesalers make the products of various manufacturers readily available to the retailers.

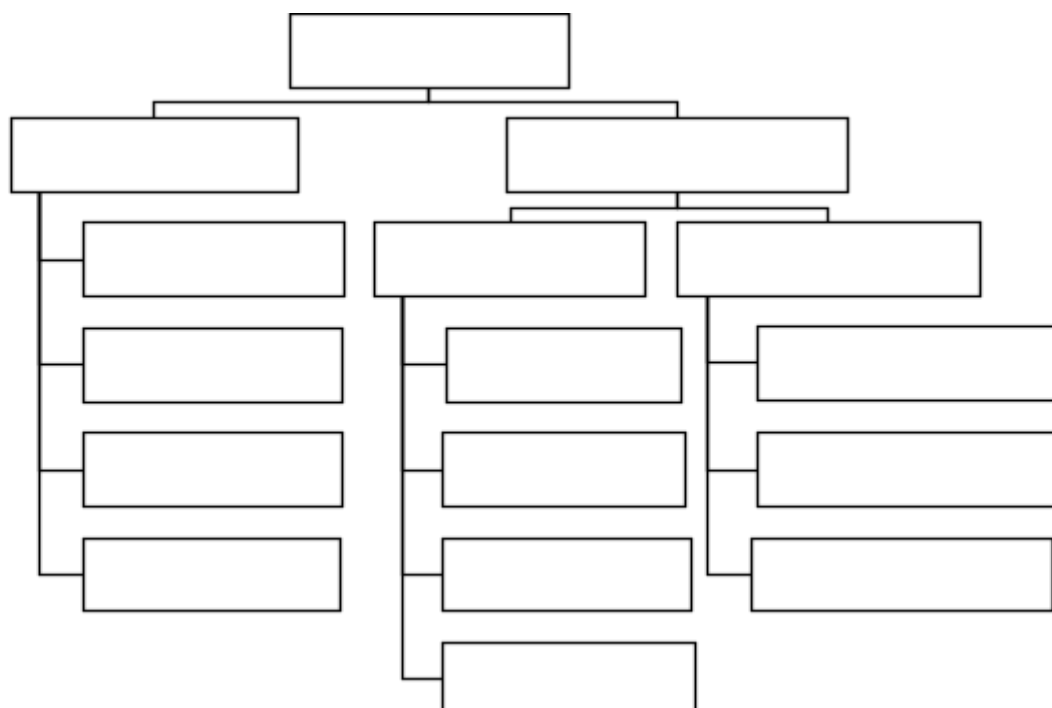
9. Identify the service provided by Retailers to Manufacturers and Wholesalers:

1. The retailers relieve the producers of this activity and greatly help them in the process of actualizing the sale of the products.
2. As retailers remain in direct and constant touch with the buyers, they serve as an important source of collecting market information about the tastes, preferences and attitudes of customers.
3. A retailers help in the distribution of products by making these available to the final consumers, who may be scattered over a large geographic area.
4. Retailers participate in promotional activities like coupons, free gifts, sales contests etc. carried on by manufacturers and distributors
5. Manufacturers and wholesalers are freed from the trouble of making individual sales to consumers in small quantities because of retailers

10. Identify the service provided by Retailers to consumers:

1. Retailers generally buy goods in large quantities and sell these in small quantities, according to the requirements of their customers.
2. Retailers maintain regular availability of various products produced by different manufacturers for customers
3. The retailers sometimes provide credit facilities to their regular buyers.
4. By arranging for effective display of products and through their personal Terms of Trade 221 selling efforts, retailers provide important information about the arrival, special features, etc., of new products to the customers.
5. Retailers generally keep stock of a variety of products of different manufacturers that enables consumers to make their choice out of a wide variety of goods.
6. Retailers provide important after-sales services in the form of home delivery, supply of spare parts and attending to customers.

11. Classification of retail trade



12. Identify the type of type of retailers

1. Networks of retail shops that are owned and operated by manufacturers or intermediaries. Under this type of arrangement, a number of shops with similar appearance are established in localities, spread over different parts of the country.
2. Traders who do not have a fixed place of business to operate from
3. These shops deal in second-hand or used goods, like books, clothes, automobiles, furniture and other household goods
4. The small retailers who open their shops at different places on fixed days or dates, such as every Saturday or alternate Saturdays, and so on.
5. These shops carry stock of a variety of products required to satisfy the day-to-day needs of the consumers residing in nearby localities.
6. Retail stores specialise in the sale of a specific line of products. For example, shops selling children's garments, men's wear, ladies shoes, toys and gifts, school uniforms, college books or consumer electronic goods, etc.
7. These are retail shops who maintain permanent establishment to sell their merchandise.
8. Small vendors are commonly found at street crossings or other places where flow of traffic is heavy.
9. These shops deal in second-hand or used goods, like books, clothes, automobiles, furniture and other household goods
10. It is a large establishment offering a wide variety of products, classified into well-defined departments, aimed at satisfying practically every customer's need under one roof.
11. The retail outlets that sell their merchandise through mail.
12. They are small producers or petty traders who carry the products on a bicycle, a hand cart, a cycle-rickshaw or on their heads, and move from place to place to sell their merchandise at the doorstep of the customers.
13. Small retailers who are commonly found at places where huge floating population gathers, for example, near railway stations and bus stands, and sell consumer items of common use
14. Petty retailers who have independent shops of a temporary nature in a business locality. They keep on changing their business from one locality to another, depending upon the potentiality of the area.

13. Difference between Departmental stores and Multiple shops

Basis	Departmental stores	Multiple shops
1. Location		
2. Range of products		
3. Services offered		
4. Pricing		
5. Class of customers		
6. Credit facilities		
7. Flexibility		

14. The three alternatives for receiving payments in Mail order house business are

- a)
- b)

c)

15. Mail order house business is not suitable for all types of products. Write 6 types of goods which are suitable for such business

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

16. Write 8 features of GST

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.