






Chapter 9 – Internal Trade

Meaning




- **Internal Trade** refers to buying and selling of goods and services **within the boundaries of a country**.
- Payments are made in the **domestic currency**.
- Includes both **wholesale** and **retail** trade.

Types of Internal Trade

Wholesale Trade

- Wholesalers buy in **large quantities** from producers and sell in **smaller quantities** to retailers.
- **Functions of Wholesalers:**
 - Buying goods in bulk 
 - Warehousing 
 - Providing credit to retailers 
 - Bearing risk 
 - Providing market information 

Retail Trade

- Retailers buy goods from wholesalers and sell to **final consumers**.
- **Functions of Retailers:**
 - Providing goods in small quantities 
 - Offering customer service 
 - Creating demand 

- Providing after-sales service 🔧

Types of Retailers

♦ Small-Scale Retailers

● Itinerant Retailers:

- Hawkers and Pedlars 🚶
- Street Traders 🏡
- Market Traders 🌳
- Cheap Jacks (temporary shops) 🍷

● Fixed Shop Retailers:

- General Stores 🏠
- Specialty Shops 👗
- Departmental Stores 🏢
- Chain Stores / Multiple Shops 🏬
- Supermarkets 🛒

♦ Large-Scale Retailers

- Departmental Stores 🏢
- Supermarkets 🛒
- Consumer Co-operatives 🤝
- Mail Order Houses 📦
- Telemarketing 📞
- E-commerce 💻

Services of Retailers to Wholesalers & Consumers

- Help in distribution of goods 🚚
- Promote manufacturer's products 📣
- Provide market feedback 📊
- Give credit facilities 💳
- Offer after-sales services 🔧

Goods & Services Tax (GST) in Internal Trade

- **Definition:** Single indirect tax levied on supply of goods & services in India.
- **Features:**
 - One Nation, One Tax 🇮🇳
 - Removes cascading effect of taxes 🚫
 - Tax credit available at every stage 💰

Difference between Wholesale and Retail Trade

Basis	Wholesale	Retail
Quantity	Large quantities	Small quantities
Buyers	Retailers	Final consumers
Capital	High investment	Low investment
Risk	Higher	Lower