

Lesson-22

INTERNAL TRADE

Introduction

Where do you buy all products? Your answer will be – from the nearby market. Now the question is, how do all these products reach the market? There are a number of firms/people who are involved in this activity of bringing the product from the place of production to the market and then making it available to the ultimate consumers. They act as a link or bridge between the producers and the consumers. Now we will learn about the firms/people who link the producers and consumers within a particular country and also about the various options available to consumers to buy the products for their consumption.

Important points from the text:

1. Buying and selling of goods and services within the geographical boundaries of a country is referred to as internal trade.
2. On the basis of volume of goods traded we can classify internal trade as wholesale trade and retail trade.
3. Wholesale trade refers to buying of goods in large quantity from the producers or manufactures for sale to other traders or buyers in small quantities.
4. Retail trade refers to buying goods from the manufacturers or wholesalers and selling them to the ultimate consumers.
5. Types of Retail trade:



6. Retailing is now aiming towards earning profit by offering customers more choice, more convenience and better facilities.

Learn new points:

- ❖ Franchise is a form of retailing wherein two parties enter into an agreement in which one party authorizes others to sell or produce and sell specified goods and services.
- ❖ The mail order retailers place the advertisements in newspapers, magazines etc. or publicize about their products in booklets, catalogues, brochures and handouts.
- ❖ Consumer Cooperative Store is another form of large scale retail trade which is owned by the cooperative society.
- ❖ Super Market is another kind of large-scale retail organization from where we can buy most of our household requirements for a week or a month in one visit.
- ❖ Performa Invoice : It is a document sent prior to the actual sale to the buyer
- ❖ Invoice : It is a document sent by the seller to the buyer when goods are supplied
- ❖ Debit Note : It is a document prepared by one party (either by the seller or the buyer) to inform the other party (either the seller or the buyer) that receiver's account has been debited with the specified amount and for the specified reasons

Evaluate yourself

1. Mr Rakesh is a wholesaler in a distribution channel. List out the role and responsibility of a wholesaler.
2. Visit at least five different retail shops of your locality and from your point of view classify them according to the different types?

Maximize your marks

- Read the chapter carefully
- Go through the learning points
- Get into the little details of the above mentioned important points.