



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution
STUDY MATERIAL
CLASS -XI



SUBJECT -BSTD

CHAPTER 7 – Internal Trade Part 1

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1. **Internal Trade** When buying and selling of goods and services takes place within the geographical limits of a country. It is known as internal trade.

The main features of internal trade are

- (i) The buying and selling of goods and services takes place within a country.
- (ii) The payment are made and received in the home country only.
- (iii) There are no or very few formalities to be completed by the traders.

2. **Types of Internal Trade** Internal trade can be classified into two categories.

(i) **Wholesale Trade** It refers to the trade in which goods are sold in large quantities. The person who carries on wholesale trade is known as wholesaler.

A wholesaler provides many valuable services to the manufacturer as well as the retailer.

(a) **Services to Manufacturer**

- Facilitating large scale production
- Bearing risk
- Financial assistance
- Expert advice
- Help in marketing function
- Facilitate production continuity
- Storage

(b) **Services to Retailer**

- Availability of goods
- Marketing support
- Grant of credit
- Specialised knowledge
- Risk sharing

(ii) **Retail Trade** Retail trade refers to sale of goods in small lots to the final consumers. A retailer buys goods from a wholesaler and sells them to the consumer.

(a) **Services to Consumers**

- Ready or quick supply
- Wide variety
- Guiding consumers
- Demonstration and after sale services
- Home delivery

- Convenient location
- Credit facility

(b) **Services to Wholesaler and Manufacturer**

- Ready market
- Providing information
- Risk bearing
- Distribution of goods to distant places

3. Classification of Retailers

Retailers can be classified on the following basis

- (i) Size
- (ii) Product mix
- (iii) Pricing
- (iv) Service level
- (v) Form of ownership

4. Types of Retail Trade Keeping in mind all the above criteria, that is size product mix, pricing and service level, the retail trade can be classified in to the following categories

- (i) Itinerants retailers
- (ii) Fixed shop retailers

5. Itinerants Itinerants refers to retailers who have no fixed place of sale. They move from one place to another in search of customers.

6. Types of Itinerants

(i) **Hawkers and Peddlers** Hawkers and Pedlars moves from street to street in search of customers.

The main features of hawkers and pedlars are

- (a) They sell a variety of goods such as fruits, vegetables, toys etc.
- (b) They deal with non-branded and local items.
- (c) They supply the goods at the door step of the customer.

(ii) **Periodic Market Trader** These traders sell their goods on fixed days in different market places. Their weekly market are fixed

The main features of periodic market traders

- (a) They sell their goods in the weekly market.
- (b) They deal in low price and low quality goods.
- (c) These traders also set up shops on the occasion of Diwali, Christmas, etc.

(iii) **Street Traders** These retailers display their articles on busy street corners, pavements, bus stands etc.

The main features of street traders are

- (a) They generally operate near public places such as railway stations.
- (b) They deal in a variety of goods such as towels, things of daily use mirrors etc.

(iv) **Cheap Jacks** They display their goods in hired shops or intents for a temporary period in different localities.

The main features of cheap jacks are

- (a) They hire small shops.
- (b) They shift from locality depending upon the prospectus of business.
- (c) They deal in low price, household articles.

7. **Fixed Retailers** The retailer having a fixed place of sale are known as fixed shop retailers.

Fixed shop retailers can be further classified into two categories

- (i) Small scale fixed retail shops
- (ii) Large scale fixed retail shops

8. **Small Scale Fixed Retailer**

(i) **General Stores** General stores are small shops located in residential areas.

The main features of general stores are

- (a) They have a large variety in each line of product.
- (b) They provide free home delivery, credit facility.

(ii) **Single Line Stores** Single line stores are small shops which deal with one line of products.

The main features of single line stores are

- (a) These stores deal with one line of products.
- (b) These stores deal in a variety of goods in that line of product.

(iii) **Speciality Stores** These stores deal in a particular type of product under one product line only.

The main features of speciality stores are

- (a) These stores are specialised in one product only.
- (b) They keep all the brands of that product.

(iv) **Street Shops** These shops are situated at street crossings, They are also known as street stalls

The main features of street shops are

- (a) These shops have a limited space.
- (b) These retailers display their goods on tables, stands etc.

(v) **Second Hand Goods Shops** These shops deal with second-hand goods or used articles such as books.

The main features of second-hand goods shop

- (a) These shops sell used goods.
- (b) The goods are generally priced low because these are used goods.

(vi) **Seconds Shops** There are the shops to sell goods which are not produced according to the required specification.

The main features of second-hand goods shop (a) These shops deal in the products which have some manufacturing defect. (b) Goods are sold at a heavily discounted price.

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