



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 1	Topic: INTERNAL TRADE

Match the following

1. On the basis of location –

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| 1. Stores found in a local market areas. | (a) Secondhand goods shops and residential |
| 2. Shops are generally located In a central place. | (b) Street stall holders |
| 3. Small vendors are commonly Found at street crossings. | © General stores |
| 4. Shops located at street Crossing or in busy Street in the form of a stall | (d) Specialty shops |

2. On the basis of types of goods sold by fixed shop small retailers.

- | | |
|---|---------------------------|
| 1. Stores specialize in sale of a Specific line of products. | (a) General store |
| 2. Shops deal in secondhand Or used goods. | (b) Street stall holders |
| 3. These vendors deal mainly in goods of cheap variety of products. | © Specialty shops |
| 4. Shops deals in products of daily use. | (d) Secondhand goods shop |

3.. On the basis of features of departmental store

- | | |
|----------------------------|---|
| 1) Provides all facilities | a) Located in the heart of city |
| 2) Location | b) Restaurant, travel & information bureau, telephone booth, rest room etc. |
| | c) Helps in eliminating undesirable middleman |

4. On the basis of advantage of mail order house

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|--------------------------------|---|
| 1) Limited capital requirement | a) Goods sent to all the places having postal services. |
| 2) Absence of Bad debt | b) Goods are delivered at the door step |
| 3) Convenience | c) Does not require heavy expenditure on building & infrastructural facilities. |
| 4)Wide reach | d) Do not extend credit facilities to customers |

Fill in the blanks

- 1) Buying and selling of goods and services within the boundaries of a nation are referred to as _____
- 2) Internal trade can be classified into two broad categories They are _____ and _____
- 3) Each _____ is under the direct supervision of a Branch Manager, who is held responsible for its day to-day management. The Branch Manager sends daily reports to the head office in respect of the sales, cash deposits, and the requirements of the stock.
- 4) Purchase and sale of goods and services in large quantities for the purpose of resale or intermediate use is referred to as _____
- 5) 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.
- 6) The prices of goods in _____ are fixed and all sales are made on cash basis.

True or False

- 1) Both retailers and wholesalers are important marketing intermediaries who perform very useful functions in the process of exchange of goods and services between producers and users or ultimate consumers
- 2) External trade aims at equitable distribution of goods within a nation speedily and at reasonable cost.
- 3) Retailing is, thus, that branch of business which is devoted to the sale of goods and services to the ultimate consumers for their personal and non-business use
- 4) Retail traders undertake various activities such as grading of products, packing into smaller lots, storage, transportation, promotion of goods, collection of market information, collection of small and scattered orders of shop keepers and distribution of supplies to them.
- 5) wholesale traders also relieve the retailers of maintaining large stock of articles and extend credit facilities to them.
- 6) The departmental stores are generally located at a central place in the heart of a city, which caters to a large number of customers.
- 7) Specialty shops is type of retail store which is becoming very popular, particularly in rural areas.
- 8) 16. Secondhand goods shop may also stock rare objects of historical value and antique items.
- 9) The departmental stores are located at the remote areas.
10. The departmental stores attract a large number of customers.
11. Departmental stores provide maximum service to higher class of customers for whom price is secondary.

12. In departmental stores both sale & purchase is centralized.

Choose the correct answer

1) Purchase and sale of goods in relatively small quantities, generally to the ultimate consumers, is referred to as

- a) Export
- b) Retail trade
- c) whole sale trade
- d) Entrepot

2) _____ serve as an important link between manufacturers and retailers.

- a) Retailers
- b) Wholesalers
- c) Multiple shop
- d) Departmental stores

3) _____ enable the producers not only to reach large number of buyers spread over a wide geographical area (through retailers), but also to perform a variety of functions in the process of distribution of goods and services.

- a) Retailers
- b) Wholesalers
- c) Multiple shop
- d) Departmental stores

4) A modern _____ may provide all facilities such as restaurant, travel and information bureau, telephone booth, restrooms, etc. As such they try to provide maximum service to higher class of customers for whom price is of secondary importance.

- a) Retailers
- b) Wholesalers
- c) Multiple shop
- d) Departmental stores

5) Wholesalers take delivery of goods when these are produced in factory and keep them in their go downs/warehouses. They thus provide _____.

- a) Place utility
- b) Time utility.
- c) Risk utility
- d) Information utility

6) _____ serve as an important link between the producers and final consumers in the distribution of products and services within a country.

- a) Retailers
- b) Wholesalers
- c) Exporter

d) Importer

7) The size of _____ is very large, they are generally formed as a joint stock company managed by a board of directors

a) Retailers

b) Wholesalers

c) Multiple shop

d) Departmental stores

Identify the service provided by the intermediaries:

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 also advance money to the producers for bulk orders placed by them.

3. Wholesalers inform the shop keepers 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

4. The retailers relieve the producers of this activity and greatly help them in the process of actualizing the sale of the products.

5. 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.

6. Retailers generally buy goods in large quantities and sell these in small quantities, according to the requirements of their customers.

Question and answers

1. Wholesaling is concerned with the activities of those persons or establishments which sell to retailers and other merchants, and/or to industrial, institutional and commercial users but who do not sell in significant amount to ultimate consumers.

Wholesalers serve as an important link between manufacturers and retailers.

Explain the services provided by the wholesaler to

2. A retailer performs different functions in the distribution of goods and services. He/she purchases a variety of products from the wholesale distributors and others, arranges for proper storage of goods, sells the goods in small quantities, bears business risks, grades the products, collects market information, extends credit to the buyers and promotes the sale of products through displays, participation in various schemes, etc.

In the light of the above given information explain the services provided by the retailer-

3. A large retail store which has a number of sections, each one confining its activities to one kind of product. For example, there may be separate section for toiletries, medicines, furniture, groceries, electronics, clothing and dress material within a store. Thus, they satisfy diverse market segments with a wide variety of goods and services. It is not uncommon for this type of retail trade in the United States of America to carry 'needle to an aero plane' or 'all shopping under one roof.' Everything from 'a pin to an elephant' is the spirit behind this typical retail store. In India, such stores have not yet come in a big way in the retailing business. However, some stores on this line in India include 'Akberally' in Mumbai and 'Spencer's' in Chennai.

- a) Identify the concept of internal trade
- b) Explain the merits of the identified concept.
- c) Explain the demerits of the identified concept.

4. Pizza Hut is an American restaurant chain and international franchise which was founded in 1958 in Wichita, Kansas by Dan and Frank Carney. The company is known for its Italian American cuisine menu, including pizza and pasta, as well as side dishes and desserts. Pizza Hut has 18,703 restaurants worldwide as of December 31, 2019, making it the world's largest pizza chain in terms of locations. It is a subsidiary of Yum! Brands, Inc., one of the world's largest restaurant companies. Pizza Hut was founded on May 31, 1958 by two Wichita University students, brothers Dan and Frank Carney, as a single location in Wichita, Kansas. They borrowed \$600 from their mother. Dan Carney's wife suggested the name "Pizza Hut" based on the appearance of the building. Six months later they opened a second outlet and within a year they had six Pizza Hut restaurants. The brothers began franchising in 1959. The iconic Pizza Hut building style was designed in 1963 by Chicago architect George Lindstrom and was implemented in 1969. PepsiCo acquired Pizza Hut in November 1977. 20 years later, Pizza Hut (alongside Taco Bell and Kentucky Fried Chicken) were spun off by PepsiCo on May 30, 1997, and all three restaurant chains became part of a new company named Tricon Global Restaurants, Inc. The company assumed the name of Yum! Brands on May 22, 2002.

- a) From the information given above identify the concept of internal trade.
- b) Explain the merits and demerits of the identified concept.

Merits: