

SENIOR THREE SELF STUDY WORK

DAY 1

TOPIC: WARE HOUSING

Ware housing It is the protection afforded to the raw materials, semi-finished and finished products from the time when they are not needed until when required for processing or consumption.

(b)The importances of ware housing include;

- It provides storage facilities for the goods hence guarding them against damage, loss etc.
- It provides room for continuous production since whatever is produced can be disposed off.
- It enables traders to look for market for their products since they are kept safely in the ware houses.
- It provides temporary accommodation to goods for those producers who lack enough room to keep the products at their own premises.
- It reduces taxes for importers especially those dealing in products which lose weight and are charged according to the weight of the products.
- It enables the government to check on undesirable products imported as they are checked before released from the bonded ware house.
- It enables the traders to prepare their products for sale while in the ware house for instance packaging and blending can be carried out while goods are in the ware house.
- It enables the government to earn revenue since goods are not released from the bonded ware house without clearing the customs duties.
- It reduces congestion at the terminals since goods are easily removed from the terminals and stored in the ware houses.
- It encourages production on large scale since producers are assured of enough storage facilities.
- It enables goods with seasonal demand like success cards to be stored until they are required in the market.
- It facilitates a steady supply of goods throughout the year since it enables storage of surplus products in periods of plenty.
- It enables stabilization of prices in the market through checking on the supply of goods.
- It facilitates entrepot trade since goods are kept safely in the ware house in preparation for re-export.

CHARACTERISTICS OF A GOOD WARE HOUSE

A public ware house is one which is established with a primary activity of providing storage facilities on rental basis. It is open to the public for hiring or renting. Public ware houses are usually found near terminals like air ports, sea ports etc for use by businessmen without their own storage facilities.

- i. A wholesaler's ware house** is one which is owned by a wholesaler to provide storage facilities for the goods which he buys in bulky from different manufacturers.
- ii. A producer's ware house** is one which is owned by a manufacturer/producer to store raw materials and finished goods. It is normally located near the factory and relatively small in size since wholesalers collect finished goods from them immediately they are produced.
- iii. A bonded ware house** is one where goods on which tax is to be levied are kept. Goods are not released from this ware house without a release warrant from the customs department showing that tax has been paid.

(b)The characteristics of a good ware house include;

- It should have proper handling equipment to ensure efficiency in loading and unloading the products.
- It should have an ideal location which is accessible to good means of transport for easy movement of goods.
- It should have a well trained staff for effective handling of the ware house records.
- It should have proper preservation facilities especially when the goods handled are perishable to avoid wastage.
- It should have adequate security to safeguard the products against theft.
- It should not leak to avoid damaging the products.
- It should be spacious enough to enable storage of large quantities of goods.
- It should be well planned with appropriate departments for its effective operation.
- It should be free from pests which damages the products.
- It should be located in an area where goods are produced in large quantities hence requiring ware housing services.

ACTIVITY 1

- 1 (a) what is warehousing?
 - (b) What is the importance of warehousing?
 - (c) What are the characteristics of a good ware house?
- 2 (a) what is the meaning of each of the following;
 - i. public ware house
 - ii. wholesaler's ware house
 - iii. producer's ware house
 - iv. bonded ware house

DAY 2

COMMUNICATION

- (a) Communication** refers to the activity of conveying information through the exchange of thoughts, messages by speech, visuals, signals, writing, or behavior. It may also refer to the exchange of information between the sender and the receiver through a channel.
- (b) The role of communication in the development of trade include,**
- ✓ Communication especially in written form facilitates evidence of contracts made in business hence providing room for reference in case need arises.
 - ✓ It enables producers to get information regarding the consumer's tastes and preferences which makes the producers to adjust accordingly.
 - ✓ It helps traders to save time and money that would be wasted through moving from place to place.
 - ✓ It helps to keep suppliers in close contact with their customers hence maintaining regular supplies.
 - ✓ It helps to link various markets hence shortages in one market can be solved by transfer of supplies from markets with plenty.
 - ✓ It enables buyers to compare products advertised in terms of price, quality, quantity etc hence making better decisions.
 - ✓ Good communication between customers and suppliers enables the business to establish a good name hence boosting sales.
 - ✓ It enables producers to widen their market through carrying out market research.
 - ✓ Efficient, speedy and accurate communication helps to reduce losses and accidents hence saving lives and damages to the products.
 - ✓ It helps to keep the public in touch with current affairs for instance on foreign exchange rates.
 - ✓ It enables the public to be informed about the various products available in the market.

- ✓ It promotes good understanding between the employers and employees which provides a conducive environment for production.

(a) The various categories of communication include;

- **Written communication**, this involves sending a message from one person to another through writing using a pen and ink. It includes use of letters, telegrams, e-mails, magazines etc.
- **Spoken/verbal/oral communication**, this involves a direct communication by word of mouth or face to face between two or more parties. It includes use of telephones, face-to-face, radio, television etc.
- **Non-verbal communication**, this involves use of bodily expressions without use of words. It includes gestures, how we dress or act, our scent e.t.c
- **Visual communication**, this involves use of diagrams or pictures without using words to convey messages. It includes use of graphs, charts, maps, logos, films or other media to convey messages.

(b) The advantages of using letters include;

- ✓ It provides a record for future reference hence the reader can keep the message and refer to it at a future date.
- ✓ Messages can be delivered in the absence of the recipient and gets it any time he comes back.
- ✓ It allows sending detailed information which may not be possible with other modes of communication.
- ✓ It is cheaper to send messages using letters than using telephone calls or telegrams.
- ✓ Illustrations and pictures can be by letters
- ✓ Confidential information can be sent to the recipient if the letter is properly sealed.
- ✓ Information can be planned before sending it.

The disadvantages of using letters include;

- Messages take long to reach the recipients hence immediate feedback cannot be received.
- It only targets literate markets hence the illiterates are neglected.
- Letters may be intercepted and read by unauthorized persons hence affecting the confidentiality of some vital messages.
- It is applicable to people with access to post office box numbers.
- It is not suitable for urgent messages since messages take long to reach the intended destination.

- It is time consuming to read letters hence some people may not be bothered to read all the details involved.

(ii)The advantages of telephones include;

- It is suitable for urgent messages since it is a fast means of communication.
- It enables the sender to emphasize the point through talking.
- It eliminates physical movement of people from one place to another to convey information hence reducing the risks that may be encountered on the way.
- The feedback is immediate since it is a fast means of communication.
- It is possible to hide emotions since facial expressions are not seen as compared to face to face communication.

The disadvantages of telephones include;

- ✓ It is expensive when one wishes to send detailed information
- ✓ Some people cannot afford telephones hence making communication between parties difficult.
- ✓ Limited words may be used to minimize the costs hence the intended message may not be delivered.
- ✓ Absence of face to face contact between the sender and the recipient makes it difficult for one to emphasize his point.
- ✓ It does not provide a facility for permanent record of reference.
- ✓ The information may not be delivered accurately due to poor network in certain areas.
- ✓ There is lack of privacy when communicating using a telephone.
- ✓ Maintenance costs are high if a telephone is not handled properly.

ROLE OF THE POST OFFICE IN UGANDA

- Private branch exchange** is an internal telephone system that connects various extensions of the same firm through the switch board operator.
- Private automatic branch exchange** is an internal telephone system that provides both internal and external calls without the help of the switch board operator.
- Private manual branch exchange** is a system that provides both internal and external calls through a switch board operator who connects both the incoming and outgoing calls manually.
- Subscriber trunk dialing** is a system that enables a call to be dialed directly to the receiver without going through the post office telephone operator.

(b)The role of the post office in Uganda includes;

- It receives and carries business letters, catalogues and other kinds of mail on behalf of their customers.
- It provides recorded delivery services by providing a customer with a receipt which acts as a proof of delivery.
- It provides post rest ante services to the travelers who wish to stay in certain areas temporarily and do not have post office boxes.
- It acts as a bank to small scale savers by safe guarding money on their savings accounts.
- It provides registered mail services by ensuring that mail is registered hence the post office undertakes to compensate the sender in case the letter is lost.
- It provides expedited mail services (E.M.S) to their customers hence ensuring quick delivery of mail to the true owners.
- It offers remittance services in form of postal orders, money orders etc.
- It prints and distributes post office directory which gives telephone numbers and addresses of subscribers.
- It provides transport services to the community through the post bus.
- It provides telecommunication services e.g. radio calls, telephones, telegrams etc.
- It provides private post boxes to the interested members of the public.

ACTIVITY 2

1(a) what is communication?

(b)What is the role of communication in the development of trade?

2(a) Explain the various categories of communication.

(b)Mention the advantages and disadvantages of the following;

- Letters
- Telephones

3. (a) what is the meaning of the following;

- Private branch exchange (P.B.X)
- Private automatic branch exchange (P.A.B.X)
- Private manual branch exchange (P.M.B.X)
- Subscriber trunk dialing (S.T.D)

(b)What is the role of the post office in Uganda?

DAY 3

The factors that influence the choice of the communication means include;

- ✓ **Urgency of the message**, messages that are urgently needed should be sent by a fast means for instance telephones are preferred to letters.
- ✓ **Distance involved in conveying the message**, telephones should be used when the distance involved is long and face to face communication is preferred when the distance involved is short.
- ✓ **Confidentiality of the message**, confidential messages can best be sent using letters since other media like telephones may not favor secrecy.
- ✓ **Need for record of reference**, written communication is preferred in case one needs to provide proof for future reference.
- ✓ **Cost of sending the message**, letters are cheaper compared to telephones yet face to face communication is the cheapest compared to all.
- ✓ **Availability of the means to the parties' involved**, effective communication may sometimes require both the sender and the recipient to access similar communication media for instance communication using a telephone requires both parties to access the telephone equipment.
- ✓ **Need for detailed information**, messages requiring detailed information may best be sent using letters since illustrations, diagrams and many others can be sent through written communication.

(b)The barriers to effective communication include;

- ✓ **Language problems**; where the parties involved speak different languages and could not understand each other.
- ✓ **Use of unfamiliar terminologies** which are hard to understand by one of the parties can act as a barrier to effective communication.
- ✓ **Information overload**, where too much technical data is given to an individual in a short period of time.
- ✓ **Lack of interest** in the subject matter discussed by one of the parties is a barrier to effective communication.
- ✓ **Cultural differences** in terms of attitude, tribe, and religion etc may cause one of the parties to interpret the message wrongly.
- ✓ **Poor personality** in terms of dressing, mannerism etc may act as a distruster to effective communication.
- ✓ **Lack of trust in the sender**, where the recipient does not trust the sender, he will not take the message seriously hence hindering effective communication.

- ✓ **Poor planning** by the sender of the message may act as a barrier to the recipient to understand the message.
- ✓ **Wrong address** for instance when a letter is wrongly addressed, it may not reach the intended destination.
- ✓ **Contradictory non-verbal messages**, where the person sending the message says one thing but the body language gestures something else acts as a barrier to effective communication.
- ✓ **Increased taxes on communication facilities** like airtime may limit the information to be sent hence the recipient may not get all the detailed information as intended by the sender.

CONSUMER PROTECTION

Consumer protection is a policy taken up by law to protect consumers from being exploited by the business world.

The exploitation of people by the businessmen raised the need for consumer protection. Before practical steps were taken, the protection to consumers was **CAVEAT EMPTOR** (let the buyer be aware)

REASONS FOR PROTECTION.

1. Producers use dangerous and inferior components in the production of goods in order to minimize costs e.g. using un boiled water to mix juice, dirty water to cook food etc.
2. Some businesses are monopolized and in absence of competition, they over charge the public while the quality of their services or goods remains poor.
3. Sometimes sellers use misleading adverts for goods which does not suit the purpose for which they are needed hence this should be checked upon to safeguard the interests of the consumers.
4. Traders use wrong measures and weights which result into un fair business deals.
5. Although a consumer is expected to buy currently what they want, they still face a problem of making choice and therefore consumer association should be formed to protect consumer's rights and interests.
6. Some of these traders have high bargaining power to promote their interests and therefore consumers being weak must be protected.
7. Some sellers sell contaminated or half cooked food or dangerous drugs and therefore consumers protection is required to promote public health, safety and welfare.

8. Some sellers supply expired goods like food stuffs, drugs to consumers and they do this basing on consumer's ignorance, illiteracy hence consumer protection, needed.

There are three major ways of protecting consumer's i.e.

- by government
- By consumers Association.
- By business Association.

1. PROTECTION BY GOVERNMENT

The government protects consumers through several ways: -

A PRICE CONTROL ACT

The act is meant to safeguard consumers from being overcharged by business men. The government fixes prices for certain goods especially essential commodities like salt, soap, kerosene etc. such that it becomes illegal to sell above such price and adjustment made with permission from the price control committee.

B WEIGHTS AND MEASURES DEPARTMENT

Requires bus men to use recommended weighing scales and measures when selling goods to consumers. It requires manufacturers to indicate the proper weight of goods and the packing materials. The dept is under the ministry of commerce, trade and industry whose officials move from place to place to check and confirm the efficiency of weighing scale. (UNBS) Uganda National Bearer of Standards.

C MINISTRY OF HEALTH

Sends out officials to check on animals before they are slaughtered for meat or beef.

Quarantine may be composed such that animals' products like meat, beef, milk hide and skins etc. are not moved from area affected by a particular disease.

D MINISTRY OF HEALTH

Usually sends out representatives to various place to check on the standards of hygiene e.g. bars, restaurants, hotels and clinics. The ministry may not confirm to the specified standards.

E PRODUCING GOODS THROUGH PARASTALS

Government may set up parietals to produce goods and sell them at reduced prices to consumers e.g. N.W.E.S.C N.W.SI.S.C

F LETTERS TO PRESS

Consumers who feel cheated may send letters to the press to complaint against a particular producer or trader.

2. PROTECTION BY CONSUMER ASSOCIATION

These are committees set up by consumers to safeguard their interest. Normally set up with the help of local councils an any consumer is free to join it upon on payment of a membership fee. The Association carries out investigations about products regarding quality, prices and designs and gives the results to members through published booklets.

3. PROTECTION BY BUSINESS ASSOCIATION

Formed by bus-men and are concerned with bringing up sufficient and satisfactory standards of goods and services to consumers.

A system known as Resale retail price maintenance (MPM) was introduced by the association which attempts to control the price at which their products are sold to consumers. In Uganda the system works well with beer, soda, cigarettes and petroleum products.

The laws (legislations) that safeguard consumers because of consumer exploitation various laws (legislations) were introduced to protect consumers e.g.:

ACTIVITY 3

1(a) what is consumer protection?

(b) Why do consumers need protection?

(c) How can the consumers be protected against exploitation?

2. (a) what factors influences the choice of the communication means?

(b)What are the barriers to effective communication

DAY 4

1. TRADE DESCRIPTIONS ACT - 1968

This requires goods sold to the public to bear correct descriptions and trademarks. It also protects consumers from misleading advertisement, under this act, its criminal offence punishable by fine imprisonment to make a false or exaggerated claim to a goods/services. The trade descriptions act, transfers the general caution caveat emptor (let the buyer be aware to caveat venditor (let the seller be aware) the trade description act 1972 requires all imported goods know from which country of origin so that people know from which country they come from in case of any problem.

2. FAIR TRADING ACT 1973

The office of the director general of fair trading to keep a keen watch on trading matters in the country. It protects consumers from false practices, misleading information concerning transactions undue sales pressure and unfair contractual terms.

3. PRICE ACT 1974-1975

Enforced by the trading standards inspectorate whose officials move from place to place to ensure its effectiveness. It protects consumers from being over charged by the businessmen.

The act performs the following duties.

- Encourage the government to subsidize basic food stuffs.
- Regulate the prices of essential foods stuffs and other goods.
- Require bus men to label prices on their goods.
- Make shop keepers display their goods in a way that do not give false impressions.

4 WEIGHT AND MEASURE ACT 1963

The act requires bus-men to use proper weighing scales using kilogram units and measuring tapes using meters. The manufacturers are required to indicate the quantity on items. It's a criminal offence if one quotes a particular weight on the item, when its actually less than what is quoted.

5. FOOD AND DRUGS ACT 1963

The act lays down several regulations concerning foodstuffs:

- Suppliers should maintain good hygiene.
- Place where food is cooked, prepared should be clean.

- Food undesirable for consumption should not be sold to the public
- Food stuffs should not be falsely described.

6. THE SALE OF GOODS ACT 1979

Under this law, shopkeepers are obliged to certain responsibility if he accepts the offer the customer to buy e.g.

- (a) The goods must be of a required quality; they should not be damaged or broken
- (b) The good should serve the purpose of the buyer.
- (c) The description of the goods should conform to actual quality of the goods.

7. UNSOLICITED GOODS AND SERVICES ACT 1971

The act makes it illegal for traders to demand payment for goods supplied, without the order of the consumer, in any case should a seller send to a person goods not ordered for and such goods are not collected within six months, then the receiver has the right to retain them. These are considered unconditional gift.

DAY 5

TRANSPORT

Is an aid to transport trade, involving the movement of people, goods and services from one place to another?

IMPORTANCE OF TRANSPORT IN TRADE

Transport plays the following role in trade: -

1. Transport has promoted foreign trade in that goods can be produced and sold to other countries.
2. it encourages development of industry and agriculture and may lead to commercialization of agriculture
3. It's a source of government revenue through taxation e.g. road license, driving permit fee etc.
4. Good efficient transport system may lead to the development of regions by opening them to production process thus utilization of idle resources.
5. Goods and services become only useful when they are moved from producers to consumers. who are scattered over a wide area in the local markets.
6. It helps in advertising goods and services. Advertising messages may be written on vehicles.

7. It encourages specialization i.e. producers from different parts may concentrate on producing a particular good or service since exchange is possible.
8. It creates employment to people like drivers, pilots captains, road workers etc
9. Movement of goods from one place to another avails people with a variety of choice.
10. Workers are easily moved to their places of work.
11. It facilitates communication. Post office uses transport (post bus) to carry letters and parcels from one place to another.
12. Goods can be moved from one areas of surplus to areas of scarcity.
13. It widens the size of the market. Finished goods can be transported to all parts of the world and sold.
14. It has promoted international understanding by moving people from one country to another.
15. Tourism has succeeded in many countries because of better method of transport.

ELEMENTS OF TRANSPORT

The four (4) elements of transport are: -

1. The way
2. the unit of carriage
3. the method of propulsion
4. the terminal

THE WAY

This is where goods and people pass. It may be natural like water (sea), Air lakes or it may be man - made like the roads, railways or bridges.

UNIT OF CARRIAGE

This refers to the vessel that is used to move people and their goods from one place to another. For example, a car, train, bus, aero plane, a ship e.t.c.

THE METHOD OF PROPULSION

This refers to the driving force or power of a unit of carriage e.g petrol engine, diesel engine, electric motor. The choice of the method depends on the size of the vehicle, speed desired, and fuel available.

THE TERMINAL

This refers to the starting and end point where goods and people are loaded and offloaded from the unit of carriage e.g taxi park, bus park airport, railway stations, sea port.

Sometimes a terminal of one unit of carriage is the starting point of another unit of carriage e.g. bus park marks the end of goods transported by bus, but the goods may still be transported by some other means of transport to where they are needed say by boda boda.

FORMS OF TRANSPORT

The three (3) forms of transport that uses the way. It consists of Head porters, wheel barrows, Lorries, buses, bicycles, cars motorcycles.

ADVANTAGES OF ROAD TRANSPORT

1. Setting up a road is easier than other systems.
2. It's good for carrying goods over short distances in a short time.
3. Road transport is flexible where switching from one route to another is concerned
4. Selling and collection of goods along routes can be possible.
5. It's flexible i.e. good for door to door services as goods are taken to their destination.
6. It's relatively cheaper than air transport.
7. Special arrangements can be made for particular occasions.
8. Road transport is in use all the time as it does not follow time table
9. Its faster than rail transport over short distances
10. It is suitable and economical for small consignments.

DISADVANTAGES

1. It may not be in use during bad weather especially murram routes during heavy rains.
2. Space is limited where carrying bulky goods is concerned.
3. It's expensive for long distances, due to high costs of fuel
4. Return cargo may not be possible because of lack of time table schedule.
5. Traffic congestion may contribute to delays in delivery.
6. It is slow for long distance
7. Highway robbery is possible especially through heavy forests

8. High rate of accidents. Unlike railway transport which has a private way in road transport, the way is open to many users, some of whom are careless. This increases the chances of accidents.
9. It's liable to frequent break down. These lead to damage and delay of goods.

ACTIVITY 5

1(a) what is transport?

(b)What is the role of transport in the development of trade in Uganda?

2(a) Mention and explain what is involved in the phrase “elements of transport”.

(b)What are the advantages and disadvantages of road transport?

3.State the advantages and disadvantages of road transport

DAY 6

RAILWAY TRANSPORT

This involves using trains to carry goods and people.

ADVANTAGES

1. It's quite cheap over long distance.
2. its suitable for carrying bulky goods like copper ore, coffee, cattle, timber, charcoal etc
3. Special wagons may be designed for particular commodities and people.
4. The rate of accident is low compared to road transport.
5. Suitable for carrying containers.
6. It is faster than road transport over long distances. This is because railway lines are free of other traffic.
7. Road transport economizes labour and fuel. One train can carry goods for 100 or more tracks and one operate and a guard can effectively manage a cargo train of up to 50 to 60 wagons.
8. Trains are not affected by bad weather.
9. Return cargo can be arranged as trains move on time table schedule.

DISADVANTAGES OF RAILWAY TRANSPORT

1. Railways are not flexible like roads.
2. Its un economical for short journeys

3. There is a possibility of damaging cargo because of increased handling.
4. its slow means over long distances
5. Trains may not pass through mountainous regions.
6. Trains delay at particular stop-over because of time table schedule.
7. Constructing railway is very expensive.
8. Roads normally delay at depot stations because of clearance of procedures.
9. The risk of damage and theft is high this is because the owner of the goods do not travel with them.
10. It's not suitable for delicate and high value goods. Transshipment involved in railway transport may lead to heavy damages of such goods.

WATER TRANSPORT

This is the movement of passengers and cargo over water bodies mainly rivers, lakes and oceans.

These are several water vessels used e.g. canoes, boats, liners ferries, steamers, tankers, bulk carriers, coasters, roll-on, roll-off etc.

ADVANTAGES OF WATER TRANSPORT

1. The way is free, since it's provided by nature except for canals and man-made lakes
2. It's good in carrying special goods like oil in long distances
3. There is not traffic congestion on water transport
4. Very heavy goods like machinery, mineral ore may be carried by ship.
5. Maintenance charges of water vessels are relatively low.
6. The use of automatic cranes eases the work of loading and off loading cargo.
7. Very large ships may be built to increase tonnage and reduce carriage costs.
8. It is economic less fuel is required than for road transport.
9. A return cargo can be arranged for a ship. This enables the operational costs.
10. Container package is possible; this reduces theft, loss and damage.

DISADVANTAGES OF WATER TRANSPORT

1. The speed is low and this may not favour perishable goods.
2. port congestion may lead to delay in delivery
3. Providing facilities at the port may be very expensive.
4. It's not flexible. Water vessels cannot stop or call at all points at the sea or lake.
5. Some water ways are seasonal. This means vessels cannot sail over some water bodies all the time. This could be due to freezing or fall in water levels.

6. Not all countries have access to the sea, thus its limited to countries with water bodies.
7. Sea accidents usually lead to total loss of life, goods and the vessel. This is when a ship sinks together with everybody and the goods.
8. Heavy loads may not go over shallow water levels.

ACTIVITY 6

1(a) why is railway transport preferred by some businessmen?

(b)What are the disadvantages of railway transport?

2. State the advantages and disadvantages of water transport.

DAY 7

TYPES OF WATER VESSELS

Sea transport is carried out by two types of ships with liners and tramps

Liners may be passenger's liner or cargo liners.

LINERS

The ships follow a regular time table, call at ports at regular intervals and follow a regular route even if they have to without enough cargo.

And are normally owned by established shipping company.

TRAMPS

Are ships that do not follow a regular route or time table.

They would go anywhere if their goods to be carried.

CHARTER PARTY

An agreement between the shipper and the importer to carry cargo for a particular route or a number of voyages. Charter party is of two type's i.e.

(I) Voyage Charter

Is an agreement between the shipper and the importer to carry goods for a particular route?

(ii)Time charter

Is an agreement between the shipper and the importer to carry goods for a certain period of time.

BILL OF LANDING

When several business men use one vessel to transport their goods, they are issued a bill of landing.

FUNCTIONS OF A BILL OF LANDING

1. It acts as a contract of carriage between businessmen and the shipping company.
2. It acknowledges receipt of goods by the shipper.
3. It is a document of title which a businessman uses to claim for goods when they arrive at the dissipated port.
4. It's a negotiable instrument in that title to goods can be transferred by endorsing the bill of landing.
5. It shows all the details of good carried.
6. It shows the shipping charges and all conditions of carrying the goods.

BULK CARRIERS

These are large vessels, specially used to carry particular type of cargo e.g. timber, mineral ore etc.

OIL TANKERS

These are mainly chartered or owned by the large petroleum companies to carry petroleum products.

ROLL- ON- ROLL- OFF

These are large ferries used to carry vehicles. The vehicles carried are driven on the ferry and driven off when they reach final destination.

FERRY SHIP

These are specially designed to connect one land mass to another by carrying goods and services.

ACTIVITY 7

1(a) what is the meaning of each of the following?

- ✓ Ocean liners
 - ✓ Tramp steamers
 - ✓ Roll on-Roll off
 - ✓ Oil tankers
 - ✓ Shipping conferences
- ✓ 2.a) Explain the meaning of bill of landing as used in water transport.
- b) State the functions of a bill of landing.

DAY 8

AIR TRANSPORT

This is the most rapid, convenient and comfortable form of transport. Under this air crafts are used to carry passengers and cargo.

ADVANTAGES OF AIR TRANSPORT

1. It is the fastest means of transport.
2. It's the best for delicate and valuable goods.
3. There is less chance of loss, because security is highly observed
4. Suitable for long distances, without shopping.
5. Most comfortable form of transport free from topographical barriers.

DISADVANTAGES OF AIR TRANSPORT.

1. It's the most expensive system of transport.
2. Its costly in terms of full and flying operations
3. Weight of cargo carried is limited.
4. Aircrafts cannot take cargo and passengers to final destination
5. In case of accident, all cargo and passengers are likely to be completely destroyed.
6. Hijackers may affect air operations.
7. Weather conditions may interfere with air services.

AIR WAY BILL

This is a document drawn between the airline company and the businessman using it to carry his goods.

PIPELINE TRANSPORT

Under this, pipes are used to carry fuel, water and gaseous products from one place to another.

In Uganda pipes are widely used to carry water and sewerage disposals in major urban centers.

ADVANTAGES OF PIPELINE TRANSPORT

1. It reduces the cost of repairing road and railway which wear due to heavy commercial traffic.
2. Because they pass underground, pipes are not affected by atmospheric conditions
3. Speed is reasonable high.
4. Pipes are suitable for carrying liquids over rough hand were higher roads or railways can be used.
5. The running costs of pipes are very low.
6. Large volumes can be carried in a very short period.
7. It reduces traffic congestion and the rate of accidents on roads which would be carried by fuel tankers.
8. Safest and most convenient means of transporting flammable products like petroleum.

DISADVANTAGES

1. Only liquids and gasses can be carried.
2. Repairs tend to be costly and difficult to locate.
3. Soil erosion may expose underground pipes.
4. Installing pipes is very expensive especially with long distance.
5. Pipes can easily be damaged by terrorists and other saboteurs.

ACTIVITY 8

(b)What are the advantages and disadvantages of pipeline transport?

(a) What is the meaning of the following terms?

- i. Stevedores
- ii. Dry port
- iii. Demurrage
- iv. Consignor
- v. Consignee
- vi. Consignment

DAY 9

CONTAINERISATION

This is a system of transport by which standard metal or wooden boxes are specially constructed to carry certain goods.

ADVANTAGES

1. Properly packed containers accommodate a large quantity of cargo than it would with goods packed in a ship.
2. Goods are protected from damages and theft
3. Loading and unloading is easy because of using automatic crane.
4. It saves time which would be wasted loading small number of packages on a ship. This reduces the chances of damage especially where shipment is involved.
5. Specially constructed containers can be built for special goods.
6. Insurance premiums for containerized goods are lower since it's difficult for the whole container to disappear.
7. Trucks to carry containers are available
8. Goods in containers are not affected by atmospheric conditions.

DISADVANTAGES

1. Without automatic cranes, loading and unloading may not be possible.
2. Containers bring about a lot of congestion, delays in packing goods resulting into late delivery.
3. They require large parts hence not suitable
4. Containers are very expensive
5. Containers may not carry living things like cows and people.
6. It is unsuitable for small quantities of cargo
7. Containers are usually returned empty which is extremely uneconomical.

FACTOS THAT INFLUENCE THE CHOICE OF MEANS OF TRANSPORT

1. Cost of goods.

The type of transport chosen should be relatively cheap compared to the value of goods carried.

2. Nature of goods

Perishable goods and Newspapers require fast means of transport where speed is required air transport is the best.

3. Size of load

Bulky goods may go by railway and Lorrie's small cargo may go by road or air.

4. Value of goods

Valuable goods may be transported easily by air e.g. gold, diamonds or mercury.

5. Flexibility of the system.

System chosen should be flexible, especially where switching from one route to another is concerned. Road transport is most flexible system.

6. The distance to cover should be considered.

When the distance is short, then road transport may be used but trains and air crafts may work better for long distances.

7.Speed should also be considered.

When urgency of delivery is required then the fastest means may be chosen. Air transport is the best where speed and urgency is concerned.

TERMINOLOGIES IN WATER TRANSPORT

(I) DEMURRAGE

Is money or free charged if the ship is not unloaded with in the agreed time.

(ii) WHART

This is a structure on the bank of the Navigable waters where ships can be loaded and unloaded.

Wharf age; is the payment made for the use of a wharf

(iii) STEVEDORES

These are people who are actively involved in the loading and unloading of ships.

(iv) RUMMAGING

It's an exercise which involves customs officials which is purposely conducted so as to search for dutiable goods on the ship.

(v) DOCK WARRANT

Document which is given to the owner of the goods stored at the dock warehouse. It serves as recognition of his title to those goods.

ACTIVITY 9

1.(a) why is railway transport preferred by some businessmen?

(b)What are the disadvantages of railway transport?

(a) What is the meaning of the following terms?

- i. Stevedores
- ii. Dry port
- iii. Demurrage
- iv. Consignor
- v. Consignee
- vi. Consignment

(b)Explain the factors that are considered when choosing a mode of transport

2.(a) what is containerization?

(b)What are the advantages and disadvantages of containerization?

DAY 10

WHOLE SALE TRADE.

A wholesaler is a middleman between the producer and the retailer. Industrial users or government users. He is a business who buys products in large quantities from the original manufacturer and sells in relatively smaller quantities to retailers, industrial users and governments' users.

WHOLE SALING AND THE WHOLE SALER

The difference between wholesaling and wholesaler is that a wholesaler is a trader carries out wholesale trade only whereas wholesaling is the activity which may also be carried out by other business.

To perform a wholesaling function is not equal to being a wholesaler.

CHAIN OF DISTRIBUTION

This is a path which the products follow from the producers to the ultimate consumers.

It consists of a set of business entities like wholesalers, retailers, agent middlemen, transporters etc.

However, the common channels include: -

- (1) The manufacturer may sell his products to a whole seller or a large scale retailer - Both cases involve large quantities.
- (2) Some manufacturers may operate their own retail outlets which sell goods directly to consumers or small scale retailers and then to customers.
- (3) The wholesaler sells goods to retailer. The quantity sold to retailers is relatively smaller than the quantity the retailer would sell to consumers. Usually small scale retailers would buy from wholesalers but some large scale retailers may also get supply from him.
- (4) Small scale retailers may buy their supplies from large scale retailer or producers retail outlets.
- (5) The retailers sell goods to consumers.

FUNCTIONS OF WHOLESALER:

1. It provides a link between producers and retailers.
2. Breaks bulk into small and affordable quantity for retailers.
3. The speed at which manufacturers churn out their goods makes it difficult for them to hold their stock for longer than short period of time. A retailer on the other hand can not store a large quantity. This problem is solved by wholesalers who own largely warehouses.
4. Certain commodities like agric. Products are produced once or twice a year. But the demand for them is steady throughout the year. Therefore wholesalers buy in large stores to ensure steady supply for them.
5. He prepares goods for sale e.g. Blends, packing, branding e.t.c. in convenient quantities.
6. They buy in large quantities and in cash basis which enables producers to continue producing.
7. Wholesalers play an important role in keeping prices stable. This he does by ensuring steady supply of goods which he releases when required.
8. Wholesalers extend credit facilities to retailers who have little capital and thus assume position of a financier.
9. Officers transport service from the producer's factory to his warehouse and from
His warehouse to the retailer's place.

FUNCTIONS/SERVICES OF A WHOLESALER TO THE PROUCER.

- Financing products.

By buying in large quantity and paying promptly the wholesaler provides the manufacturer with funds for mass production. Thus the producer's money is not locked up in finished goods.

- Minimizing storage expense and risks of loss:

By taking away commodities quickly and maintaining their own warehouse, the wholesalers reduce the manufacturer's expenses and minimize their possible losses that might result from goods being stolen, damaged etc.

- Minimizing market expense;

Whole salers reduce the manufacturers expenses such as transport cost, Advertising, market research, sales men's, salaries etc.

- Provision of promotional material and service;

Wholesalers complete some of the finishing operations grinding, Advertising, window display etc.

- Price maintenance;

By regulating supply from their warehouses wholesalers enable producers to keep prices of the products fairly stable.

- The structure of modern commerce relies heavily on the principle of specialization.

A wholesaler is a specialized trader and a producer specialized producer. If the latter assumes the responsibilities of the former, the result would be a drop in the overall efficiency in distribution of goods.

- Information;

A wholesaler is in a better position to judge what is demanded and provides relevant information or advice to the producer about the state of the market. (I.e. changes in demand, competition, packing requirements) than would the retailer.

WHOLESALE FUNCTIONS

TO THE RETAILERS;

1. He assembles goods purchased from various manufacturers and breaks them in reasonable quantities according to the requirements of the retailer.
2. He saves the retailers valuable time, transport and packaging expense.
3. By buying from several producers, wholesalers, provides retailers with a variety of choice and brings the goods nearer to them.
4. Goods are normally delivered promptly from wholesalers than from producers.
5. Wholesalers always allow retailers long period of credit. Thus enabling them to sell goods before paying for them. This reduces the amount of capital required by retailer.
6. Wholesaler offers pre-packed goods, grades and prices the goods ready for sale. This reduces the retailers work and enabling him to serve his customers more quickly.
7. They keep retailers update with sales models, designs, trends and gives advice.
8. Wholesaler stores the goods for retailers and those economies storage space, reduces the risk of losses through unsalable stock and regulates the price of the goods.

9. Sometimes the wholesalers deliver the goods to the retailer premises and cuts down the retailers transport costs to his premise.

ACTIVITY 11

1. (a) Who is a wholesaler?
(b) What are the functions of a wholesaler to the;

c)What are the features of whole sale trade?
d)What are the different types of wholesalers
2. a (i) Retailer

ii)What are the functions of a wholesaler to a retailer?
3. a) Why should a wholesaler not be eliminated in home trade?
(b) Under what circumstances a wholesaler may be eliminated from the chain of distribution?

DAY 12

WHOLESALE FUNCTION TO THE PUBLIC CONSUMER.

Wholesalers are classified according to specialization of work goods offered by them and according to the areas served by them.

They include:

- **NATION WIDE WHOLESALE.**

Operates on large scale than other wholesalers and have depots in major shopping centres of the country. And sell a variety of goods and services thus it has advantages of bringing goods nearer to the people e.g. Bata Shoe Company.

- **REGIONAL WHOLESALE**

These are found in particular trading area. They may sell a variety of goods and services or selected range of goods.

- **MERCHANT WHOLESALE**

These are wholesalers who buy goods from a producer to sell to the retailer, industrial users, government's users; they buy in their own names, take title or ownership of the goods and assume the risks of financial loss. If they are unable to sell them. There are two types of this wholesaler.

- **SERVICES WHOLESALE**

These are wholesalers who provide their customers with a wide range of wholesaling service such as holding goods, giving advice, making deliveries, extending credit and providing regular visits by their salesmen.

▪ **GENERAL MERCHANDISE WHOLESALER**

These deal in several un related/different lines of goods such as furniture, food stuffs, hardware, electrical suppliers, drugs etc. these are wholesalers who specializes in supplying a particular type of product rather than a complete line, e.g. of specialty wholesaler is beer wholesaler soft drink dealer etc.

▪ **LIMITED SERVICE WHOLESALER;**

This performs only a few of the usual wholesaling functions.

A limited service wholesaler may even avoid handing and storing of goods by dealing with shipments direct from the producer to the consumers. This group of wholesalers includes: -

(a) **Truck wholesaler or wagon jobbers**

These carry a limited range of stock and combine selling, delivery and collection function in one operation. The truck distributor carries with him on his truck a particular line of merchandise and delivers the goods as he receives the orders from the various retailers.

(b) **RACK JOBBERS**

This specializes in supplying a certain line of goods to certain type of retail stores. They deal mainly in non food items such as books, magazines, greeting cards, house wares etc. which they supply to super markets and other retailer outlets.

CASH AND CARRY WHOLE SALER

They expect retailers to come to their shop or ware house, pick what they want, pay cash and carry their own purchases. They give no delivery services and the little credit to their customers and deal in limited range of fast moving goods.

(d) **DROP SHIPPER/BEST JOBBERS**

This is a wholesaler who avoids storage and handling charges by accepting only orders which can be shipped directly from producers to consumers. Such wholesalers are found in lumbering, building materials, farm products and petroleum products.

(e) **GENERAL LINE WHOLESALERS**

This concentrates on single line goods but may also handle goods closely related lines. A general line wholesaler may for example handle furniture, hard ware and electrical supplies and another may concentrate on drugs etc.

Factors determining the number of wholesalers in a particular business.

- Demand or market is served.
- Producer's outlets/financial position of producer.
- Branding/ standardization of goods.
- Transport and communication
- Nature of goods.

ACTIVITY 12

1. a) What are the functions of a wholesaler to the public consumer?
b). What are the factors determining the number of a wholesaler to the particular business?
2. Mention the services that a wholesaler renders to the Producer.

DAY 13

MIDDLEMEN

These are wholesalers who act purely as agents for the producers. They don't purchase the goods they sell but sell on behalf of the producers. Their major function is to connect the producers to consumer

TYPES OF MIDDLEMEN

1. BROKERS

A broker is an agent who represents either the buyer or the seller in negotiating a purchase or sale without physically handling the goods involved. The main work of a broker is to bring together a seller and a buyer. He is paid a brokerage either by the buyer or seller whichever principle.

They specialize in particular goods or services e.g. insurance brokers, taxi brokers or in marketing of farm produce such as coffee, cotton etc.

2. FACTORS OR COMMISSION AGENTS;

He is an agent who sells goods in his possession and under his control on behalf of his principle. For this marketing services he receives a commission on sales (salesmen's commission) e.g. spear motors ltd.

3. **DEL CREDERE AGENT**

The del credere agent is employed to sell goods for his principle and also guarantees the solvency of the buyer. He receives an additional sum known as Del credere commission.

4. **MANUFACTURES AGENT**

They act as salesmen for products in areas where it would be an economical for the producers to employ their own salesmen. And they usually represent several uncompeting manufactures selling one or more of their products in their individual areas.

5. **MERCHANTS**

These are home based traders who buy, take title to goods or services and resale the goods in their possessions. E.g. retailers and wholesalers who take title to the products they sell.

6. **EXPORT OR IMPORT AGENTS**

These contact buyers in foreign markets. They advise their principle as to how an order should be packed, labeled and shipped to the foreign customer and receive a commission on the value of sale. Import agents act on behalf of foreign producers and merchants and receive commission for any goods imported and sold in their country of operation.

7 **CLEARING AND FOREWARDING AGENTS;**

These are middlemen who deal in services of delivering the goods on behalf of others e.g. interfriegt (u) ltd, Tran's ocean U ltd.

ADVANTAGES OF MIDDLEMEN

- 1.They advertise goods (manufactures products)
2. Since they pay for the goods on cash basis, they enable the manufacturer to continue production.
3. They offer storage facilities for the producer's goods.
4. Middlemen also provide advisory services to the customers on how to use and handle certain goods e.g. drugs.
5. They further transport for the goods purchased from the manufacturer.

DISADVANTAGES OF MIDDLEMEN

1. Middlemen over charge consumers in order to earn high profits.

2. They usually credit artificial shortages of goods and services by hindering them. This makes the customers to pay higher prices for them than the actual price.
3. Middlemen also duplicate or dilute the good they offer to the public and thus making the consumers to buy substandard goods such as liquids, clothes, milk etc.
4. Middlemen are also well known for selling expired or out dated or defective goods to customers. This is in most cases very dangerous to people's health e.g. drugs.

ELIMINATION OF MIDDLEMEN.

It's sometimes argued that some middlemen are unnecessary and could be dispensed with leaving only the services of the producers and retailers.

1. In such a situation the producer may sell his produce to the ultimate user. This is when the market is small or local.
2. Situations where the producer sells through the mail order system in which case the service of middlemen is not required.
3. When large scale retailers e.g. supermarkets, departmental stores and multiple shops find it economical to buy directly from producers.
4. Also where producer wishes or desires to offer after sales services for his own reputation he may sell directly to retailers/ consumers e.g. electric installation, spare part dealer's etc.
5. When the producer set up his own retail outlet, the service of middlemen is undesirable.
6. When the demand is seasonal and the rate of turnover is low, wholesalers function becomes less valuable e.g. in furniture workshop, musical instruments etc.
7. Selling through consumer co-operatives where consumers have formed co-operatives. Movements, they usually buy directly from the producers and thus eliminating the service of middlemen.
8. Provisions of direct services where producers deal directly with consumers e.g. doctors, teachers, hair dresses etc.
9. quantity purchases by organizations like schools, hospitals and other governments institutions who prefer to deal directly with the producers
10. Sales by contact producers normally deal directly with consumer e.g. setting up a building, road construction etc.

11. Branding and packaging: development of pre-packed and branded goods has enabled producers to advertise their goods. So enabling consumers to buy directly from the manufacturer.
12. This does not mean that the service of wholesalers and other middlemen are unnecessary, what happens is that when the producers sell goods directly to the retailer or consumers which has to make him be performed by retailers to make him more meaningfully and earn him more profit.

ACTIVITY 13

1. (a) What are middlemen?
 . (b) What are the advantages and disadvantages of middlemen?
2. a) Write short notes on each of the following:
 - i) Brokers
 - ii) Commission agent.
 - iii) Merchants
- b) State reasons why some times we avoid middlemen in business?

DAY 14

LOCATION AND LOCALIZATION OF AN INDUSTRY

- (a) **Location of an industry** refers to the physical area where an industry is established or site where an industry is placed *where as localization of an industry* refers to the concentration of an industry in one geographical area.
- (b) **The factors that influence the location of an industry include among others:** -
- ✓ **Availability of Water;** industries which use water as a raw material e.g. those which produce soft drinks should be established near a source of water.
 - ✓ **Availability of Power;** Nearness to source of power or availability of power supply in an area will reduce the cost of production. Large scale industries e.g. steel rolling mills should be located in an area with cheap, abundant and reliable power supply.
 - ✓ **Availability of Labor:** Efficiency of labor is an important factor affecting location of industry. Areas with cheap, abundant and skilled manpower will attract many industries.

- ✓ **Good government policies;** Government policies might influence the location of industry. A favorable government policy will improve the location of industry as funds and other forms of incentives will be given to the industry for the purchase of raw materials. The government can decide to locate an industry in an area to achieve balanced industrial development.
- ✓ **Availability of raw materials;** Inputs in the production process should be located near the industry in order to reduce on the transport costs. This is more so with inputs which are bulky.
- ✓ **Availability of land;** Areas which are spacious enough to provide enough land for expansion tend to attract many firms.
- ✓ **Good transport and communication net work;** Areas which are accessible to good transport and communication network tend to attract industries.
- ✓ **Availability of capital;** the availability of capital especially financial capital which is instrumental in the procurement of inputs can influence the location of an industry in an area.
- ✓ **Availability of infrastructures;** the availability of facilities like Banking, Insurance, Ware housing etc. tend to promote the location of an industry in an area.
- ✓ **Favorable climatic conditions;** this will Marjory influence the location of industries that deal in agricultural products.
- ✓ **Nearness to market;** industries tend to be located near the consumers of the business products to reduce on the transport or distribution costs which may erode the firms products.
- ✓ **Political stability;** areas with a conducive political climate tend to attract more industries than areas which are politically unstable.

ADVANTAGES AND DISADVANTAGES OF INDUSTRIAL CONCENTRATION IN ONE GEOGRAPHICAL AREA.

The advantages of industrial concentration in one geographical area include:-

- It leads to the provision of employment opportunities to the people in the area.
- It leads to the development of subsidiary industries which provide market to the main industry.
- It leads to interdependence between firms due to the sharing of same facilities and market.
- It leads to the development of infrastructures in the area like hospitals, roads, banks e.t.c. which are vital for development.
- It promotes urbanization which is significant in breaking the traditional rigidities that hinder development.
- It promotes competition among firms which enhances the production of quality output.
- It increases government revenue through taxing these industries.
- It promotes joint research hence reducing the cost of production for the firms in the industry.
- It leads to international reputation of the area hence attracting tourists which increases foreign exchange in the country.
- It leads to the creation of market for the raw materials and finished products since a big population is attracted in the area.
- It increases the supply of skilled manpower in the area to work in the industry hence promoting development.
- It improves on the standard of living of the members in the area since they are exposed to a variety of goods at cheap prices.
- It becomes easy for firms producing related products to merge and expand their operations hence enjoying economies of scale.

The disadvantages of industrial concentration in one geographical area include: -

- ❖ It promotes regional imbalances where some areas remain behind in terms of development.
- ❖ It increases the cost of living due to increased competition for the available facilities like food, shelter etc.
- ❖ It leads to congestion and overcrowding in the area hence causing slum development in the area.

- ❖ It leads to the pollution of the environment by the fumes produced by the industries.
- ❖ It results into traffic congestion in the area hence increasing the rate of accidents.
- ❖ It may cause a country to over depend on one particular region which may be dangerous in case this area is affected.
- ❖ It promotes rural-urban migration which affects agricultural development.
- ❖ It leads to unemployment in the area due to the failure of the existing industries to absorb the increased labor force in the area.
- ❖ It may cause the new firms to be out competed hence leading to their closure.
- ❖ It leads to pressure on the existing infrastructures like schools, hospitals e.tc due to the high population.
- ❖ It leads to the displacement of the people due to the increased need for industrial development.
- ❖ It leads to a breakdown of the traditional norms and customs due to increased infiltration of various cultures in the area.
- ❖ It leads to exhaustion of resources due to increased production activities.

DELOCALIZATION

(a) **Delocalization** is the dispersion of an industry or firms to different parts of the country.

The following are the reasons in favor of delocalization:-

- It encourages balanced industrial development because of the spread of the industries throughout the country.
- It improves on the standard of living of the people in the rural areas due to the extension of employment opportunities to them through the industries constructed.
- It reduces the social costs and evils that are associated with localization like traffic congestion.
- It reduces the problem of rural-urban migration.
- It leads to increased utilization of redundant resources like land which would otherwise be idle.
- It reduces on the magnitude of loss which could have resulted in the event of an outbreak of a calamity.
- It reduces strain on the available resources when industries are spread throughout the country.

The reasons against delocalization include: -

- ✓ It does not necessarily end the social costs but merely spreads them to various parts of the country.
- ✓ Economies of scale may not be enjoyed by the firms as they lack contact in order to share facilities.
- ✓ It may be difficult to attract professional staff in some areas especially if such areas are not attractive.
- ✓ Lack of competition among firms may cause production of poor quality goods and firms may develop monopoly power.
- ✓ Some areas may not attract commercial services like Banking, Insurance and other infrastructures.
- It becomes too costly for the government to develop infrastructures throughout the country.

ACTIVITY 13

- 1 (a) Distinguish between the term location and localization of an industry?
(b) Explain the factors that influence the location of an industry.
- 2 (a) what is delocalization?
(b) What are the reasons in favor and against delocalization?
3. What are the advantages and disadvantages of industrial concentration in one geographical area?