

I. CHOOSE THE BEST ANSWER:

- The purchase of goods from Foreign Country is called _____.
(a) Import (b) Export (c) Entrepot (d) Re-export
- When goods are Imported for the purpose of Export is called as _____.
(a) Foreign Trade (b) Home Trade (c) Entrepot Trade (d) Trade
- _____ acts as a connecting link between the producer and the consumer.
(a) Trade (b) Industry (c) Commerce (d) Business
- The aim of home trade is _____.
(a) To raise the standard of living
(b) To provide the essential goods and services economically
(c) To raise the National Income
(d) To obtain all types of goods
- Internal trade can be classified in to _____ categories.
(a) Three (b) Four (c) Two (d) Five

II. VERY SHORT ANSWER QUESTIONS:**1. Give the meaning of Trade?**

- ✱ The buying and selling of goods and services consists of trade.
- ✱ Trade acts as an intermediary in the exchange of commodities between the producer and consumer.

2. What is Internal Trade?

Buying and selling of goods and services within the boundaries of a nation are called internal trade.

3. Mr. Vikram who runs a textile industry regularly procures cotton from Germany.

Name the type of trade he is engaged in.

This is example for Import Trade.

4. When Vikram of India sells cotton shirts to Amal of England, what type of Trade he is engaged in?

This is example for Export Trade

5. How do you classify Trade?

- Internal trade
- External trade

6. What are the classifications of internal trade?

- ✕ Wholesale Trade
- ✕ Retail Trade

7. What is import trade?

- ➔ Import trade means buying goods from a foreign country for domestic use.
- ➔ Example: India imports petroleum products from Gulf Countries.

8. Explain the meaning of Entrepot trade.

Export trade means the sale of domestic goods to foreign countries.

Examples: i). Export of Iron ore from India to Japan
ii). Selling of Tea from India to England.

9. TVS is selling motor bikes in Europe. Under which type of trade can this be classified?

This is a Multinational Trade

10. What is the currency used in India in internal trade?

In India the currency used for Indian Rupees.

III. SHORT ANSWER QUESTIONS:

1. What is the classification of foreign trade?

i). Import Trade

Import trade means buying goods from a foreign country for domestic use.

ii). Export Trade

Export trade means the sale of domestic goods to foreign countries.

iii). Entrepot Trade

Entrepot trade means importing of goods from one country and exporting the same to foreign countries. It is also known as 'Re-export trade'.

2. Give two examples of Entrepot trade.

- ♣ Indian diamond merchants in Surat import uncut raw diamonds from South Africa.
- ♣ They cut and polish the diamonds in their units in India and re-export them to the International Diamond Market in Amsterdam.
- ♣ Singapore, Dubai, Hongkong are the largest Entrepot trade centers in the world.

3. What do you mean by Export trade?

Export trade means the sale of domestic goods to foreign countries.

Examples:

- ❖ Export of Iron ore from India to Japan
- ❖ Selling of Tea from India to England.
- ❖ Export of jasmine flowers from Madurai to Singapore
- ➔ To earn foreign exchange, to increase national income.
- ➔ To generate employment and to increase Government revenue

4. What is Wholesale trade?

“Purchase of goods in bulk from the manufacturers and selling them in smaller quantities to other intermediaries” is known as wholesale trade.

5. State the meaning of Retail trade?

Retail trade deals with the distribution of goods in small quantities to the consumers.

6. Name any three retail traders in your locality?

- ✕ Saravana medical Centers, Dindigul
- ✕ Udhayam Super Market, Dindigul
- ✕ Sangeetha Mobile Store, Dindigul
- ✕ Vijaya Medical Center, Dindigul

7. State the main aim of trade?

- ★ The buying and selling of goods and services consists of trade.
- ★ The essence of trade is to make goods and services available to those persons who need them and are able and willing to pay for them.
- ★ Trade acts as an intermediary in the exchange of commodities between the producer and consumer.

IV. LONG ANSWER QUESTIONS:

1. What are the features of Internal trade?

- ✱ The buying and selling of goods takes place within the boundaries of the same country.
- ✱ Payment for goods and services is made in the currency of the home country.
- ✱ It involves transactions between the producers, consumers and the middlemen.
- ✱ In home trade the laws prevailing in that country only have to be followed.
- ✱ The goods must be a part of domestic production.

2. Explain briefly the different types of Foreign trade?

i). Import Trade

- ✱ Import trade means buying goods from a foreign country for domestic use.
- ✱ Example. India imports petroleum products from Gulf Countries.

ii). Export Trade

- ✱ Export trade means the sale of domestic goods to foreign countries.

Examples:

- i). Export of Iron ore from India to Japan
- ii). Selling of Tea from India to England.

iii). Entrepot Trade

- ▲ Entrepot trade means importing of goods from one country and exporting the same to foreign countries. It is also known as 'Re-export trade'.
- ▲ E.g. Indian diamond merchants in Surat import uncut raw diamonds from South Africa.

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