**WEEK**

**MEANING OF MONEY**

Money is anything that is generally acceptable as a medium of exchange and in the settlement of debts. Money can also be defined as anything that is generally acceptable as a means of payment. Legal definition of money says “it is what the law says it is”. Before the advent of money, exchange took place by means of barter system. The use of money facilitates exchange of goods and services.

**HISTORY/ EVOLUTION OF MONEY**

Money originated because of the various difficulties that arose from barter system. In the olden days, different commodities served as money in different countries. Cattle, cowries, shells, tobacco, salt and beads were used as medium of exchange at one period or another. Later, precious metals like silver and gold were used. The amount of metals was weighed out whenever a payment was to be made. With time, the metals were cut into pieces of definite weights and so coins of limited face value were issued

The use of paper money originated from the use of receipts issued by goldsmith in exchange for deposits of precious metals. The receipts became bank notes and the goldsmiths became bankers.

In recent time, people started accepting in convertible paper money as a medium of exchange. Over the years, different forms of money have been introduced to facilitate exchange.

**FUNCTIONS OF MONEY**

**The following are the functions of money:**

**1. Medium of exchange:** Money serves as a medium through which people can exchange goods and services. Money can be used to buy different variety of goods and services. This facilitates the measures of exchange. It came into use as a result of the inadequacies of the barter system. Money is therefore widely acceptable as payment of debts.

**2. As a measure of value:** The value of goods and services are expressed by prices, therefore money is used as a yardstick to measure and compare the worth of goods and services as well as occupation.

**3.** **Store of value:** Money is a good store of value because wealth can be stored for future use. When there is no inflation, money stored or saved retains its value for many years.

**4.** **Standard of deferred payment:** Since money can be stored, it can be accumulated to pay debts that are fixed in terms of money. Money can serve as a medium by which business transactions on credit can be settled in the future. The use of money makes it possible for payments to be deferred from the present to some future state.

**CHARACTERISTICS OR QUALITIES OF MONEY**

**1. General Acceptability**: Money must be generally acceptable by all in the society or country as a means of exchange. This shows the confidence people have in money.

**2. Divisibility:** Money must be capable of being divided into smaller units e.g. #200, #100 and #50 to enable it to purchase both high and low priced commodities.

**3. Homogeneity**: Each unit of money must be the same in size, colour and quality and all must be the same nationwide.

**4. Stability:** The value of money must be stable. The stability of its value will help business to be predictable and encourage lending and borrowing of money.

**5.Durability;** The object that will serve as money must be able to last long, it must not be a perishable commodity and it must be able to stand the test of time.

**6.Relative Scarcity:** Money must be relatively scarce, i.e. it must not be too many in order not to lose its value. etc.

7.  **portability:** money must be something that can be easily be carried about from one place to the other.

**FORMS OR TYPES OF MONEY**

**1. Legal Tender;** Legal tender is any means of payment by which a trader is compelled by the law of a state to accept in settlement of debt e.g. Dutch mark**.** This is money which has the backing **of** the law and it is an offence to reject it.

**2. Fiduciary Note:** A fiduciary note is an issued bank note not backed by gold but government securities.

**3. Coins:** Coins are precious metal made of silver which have a defined amount of metallic content. They also have an official stamp of authority placed on them. Coins are homogenous and indestructible e.g. 25k, 50k and #1.

**4. Bank Notes:** These are slip of papers or currency issued by the central bank. Paper money originated from receipts issued by goldsmiths to those who deposited precious metals, e.g. gold with them for safe keeping. These are in denominations and are portable, e.g. 35, 310, 320, and 3100.

**5. Partial Money**: These are representative of money which may not be legal tender. They are acceptable within a certain restricted area. Partial money are not mandatory for acceptance by all the people. They are not backed by law and the examples include petrol vouchers, tickets and cheques.

**6. Commodity Money**: This is the type of money which has value as money and also as commodity. Commodity money is valuable for its own sake since it can be put to some other use. They can be used as medium of exchange, e.g. gold, diamond and cattle.

**7.** **Token money:** This is a form of money with a face value which is greater than the value of the metal content. When coins were made from gold, an increase in the value of the metal could tempt people to melt them for other purposes. Token money has face value in excess of metal content i.e. the intrinsic value is less than the face value.

**8.** **Fiat Money:** Fiat money is any money the government has declared to be legal tender but is not backed up by reserve. Paper money is fiat money since it can no longer be redeemed for gold and its intrinsic worth is almost nil.

**9. Deposit Money:** This is a form of money kept in the account of the bank. Any money saved in the bank will be credited to the account of the depositor. The money in the deposit can be transferred through the use of cheque. Cheque is just an order to pay somebody and not to be considered as money in a country

**SIMILARITIES AND DIFFERENCES BETWEEN MONEY AND OTHER COMMODITIES USED FOR EXCHANGE IN TRADE BY BARTER.**

**SIMILARITIES;**

1) The prices of both are determined by the forces of demand and supply.

2) Both money and other commodities have their respective markets.

3) There is fluctuation in the value of money and other commodities.

4) Money and other commodities are used for exchange.

5) Both are demanded by people.

**DIFFERENCES;**

1) No double coincidence of wants required in monetary system.

2) Measure of value is possible in monetary system, that is we can measure each and every good in terms of money which is not possible in barter system.

3) Money can be transferred easily from one place to another while is not possible in barter

system.

4) Money is generally acceptable while other commodities are not.

5) Money is divisible into smaller units while other commodities are not.

6) Money is durable while other commodities are not.

7) Money can serve as a store of value while other commodities cannot.

8) Money is homogeneous while other commodities are not.

**WEEK 9---10**

**TOPIC; TRANSPORTATION**

**MEANING;**

Transportation is the process of conveying goods and people to another either through water, road, rail or air. It is also the movement of goods and people from one place to another. It is used to move raw materials to the factories and finished goods to the consumers.

**IMPORTANCE OF TRANSPORTATION IN COMMERCE**

1. Transportation helps the manufacturers to get raw materials to their factories to their ultimate consumers.

2. It promotes the expansion of trade or encouragement of international trade.

3. It enables workers to get to their place of work faster

4. It improved standards of living

5. It helps farmers to carry their products like yams, maize, groundnut etc to the consumers.

6. it ensures quick distribution of perishable goods to areas where they are needed.

**TYPES/FORMS OF TRANSPORTATION**

The followings are the types of transportation in Nigeria:

1. Land transportation

2. Water transportation

3. Air transportation

4. Pipeline transportation

**LAND TRANSPORTATION**

Land transportation is the most popular forms of carrying goods and people from one place to another. It makes it possible for people living in the rural areas to bring their farm products to the town and cities for sale.

Land transportation is divided into: Road transportation and Rail transportation

= **Road Transportation;** The Road transportation makes use of motor vehicles, motor cycles, cars and wheelbarrow. It also makes use of animals like donkeys, horses and Carmel to convey goods and passengers from one location to another

**ADVANTAGES OF ROAD TRANSPORTATION**

1. Is flexible

2. It can reach all parts of the country

3. It is easy to load and unload goods

4. It is cheap

**DISADVANTAGES OF ROAD TRANSPORTATION**

1. Road transportation creates congestion and traffic jams

2. It is prone to frequent accidents

3. There is high incidence of breakdown and delay

4. There is no fixed schedule for arrival and departure

5. It is unsuitable for fragile goods

**RAIL TRANSPORTATION**

Rail transportation makes use of trains. The trains does not move on ordinary roads as motor vehicles. It moves on rail they are railway. Is also use for the movement of goods and passengers from one place to another.

**ADVANTAGES OF RAIL TRANSPORTATION**

1. Rail transportation is cheaper to carry too heavy and bulky goods over long distance

2. It has large capacity to carry heavy and bulky goods

3. Rail accidents are minimal

4. Bad weather does not affect rail transportation

5. It is ideal for mass transit

**DISADVANTAGES OF RAIL TTRANSPORTATION**

1. Rail routes are fixed

2. Railways are expensive to construct and maintain

3. Individual cannot own train

4. It is not suitable for carrying perishable goods

**WATER TRANSPORTATION**

Water transportation is the safest of all three modes of transportation accident do not always occur in water transportation.

The water way do not require heavy movement and maintenance changes which are often expended on roads and railways. The only expenditure is on the construction of harbours or seaports.

**ADVANTAGES OF WATER TRANSPORTATION**

1. It is cheap

2. Not prone to accident

3. It has the largest capacity of carrying heavy and bulky consignments

**DISADVANTAGES OF WATER TRANSPORTATION**

1. It is expensive

2. Is not easily accessible for those not living near seas

3. The operation is disturbed by bad weather

4. They are slow

**AIR TRANSPORTATION**

Air transportation is the fastest means of transportation but the most-risky. It is use to convey goods and passengers from one location to another.

There are two types of air transportation.

1. Passengers air planes or aircraft: passengers air planes or aircraft use to convey or carry people with their luggage from one place to another.

2. Cargo Air carriers: Cargo air carries goods only. They carry cargoes of different sizes and weight. They are also used to carry fragile goods perishable goods, mail, motor ears and other large segment that require urgent delivery.

**ADVANTAGES OF AIR TRANSPORTATION**

1. It is fast

2. It is comfortable and luxurious

3. It is suitable for long distance

4. It is used to carry perishable and fragile good

**DISADVANTAGES OF AIR TRANSPORTATION**

1. Is expensive

2. it is vulnerable to climatic changes

3. It is prone to serious and fatal accident.

4. it is not flexible.

**PIPELINE TRANSPORTATION;** is the system of transporting gasses and liquid products from one place to another through the use of pipelines. Pipelines are laid underground as means of carrying water, gases and petroleum products. In Nigeria pipelines are constructed to transport crude oil from Warri to Kaduna refinery.

**ADVANTAGES OF PIPELINE TRANSPORTATION**

1. **Low maintenance cost:** it is cheap because large amount of money will not be spent on it.
2. **Safe:** there is less possibilities of accidents since pipes are laid underground.
3. **It is very reliable:** it is reliable and not affected by traffic jam.
4. **It is dependable:** dependable because is not subject to weather changes
5. **Continuous flow of goods:** goods are moved over a long distance without obstruction.
6. **Reduce the overcrowding of the roads:** the number of tankers carrying liquid and gases will be reduced on the road.

**DISAVANTAGES OF PIPELINE TRANSPORTATION**

1. Prone to leakages and unauthorized tapping
2. High cost of construction.
3. Easily damaged
4. Limited in scope
5. Only a single product can be moved
6. Slow speed.

**DOCUMENT USED IN TRANSPORTATION;**

1. **Consignment note**: is a proof that delivery has been made. It is usually send by sender of goods handed to the carrier.
2. **Bill of exchange**: is document that gives the holder the right to acquire possession of goods that have been shipped.
3. **Certificate of insurance**: is a document which shows that the goods have been insured against risks or loss by the exporter
4. **Air way bill**: is a document made by the consignor of goods to be transported by air.
5. **Manifest:** is a document which shows the full list of the cargo carried by a ship or aircraft.
6. **Shipping note**: is a document containing instructions for transporting of goods.
7. **Delivery note**: is a document which normally accompanies the delivery of goods. It shows the goods delivered and checks to be made.

**WEEK 11**

**TOPIC: COMMUNICATION**

**Meaning**

Communication is the process of exchange or transmission of meaningful information, feelings, opinions and ideas from one person to another or from one place to another. It is a two-way process which involves sending and receiving of messages.

Communication has played important roles in commerce by enhancing all forms of business activities. Communication is a vital aspect of Commerce because it is the means by which buyers and sellers are able to get in contacts to transact business.

The development of communication system has also eased and hastened contact between people in Commercial centers.

**Importance of Communication**

1. **Promotion of commercial activities:** Communication promote commercial activities as the whole world is connected together as a global village.
2. **Enhances settlement of International indebtedness**: The use of telecommunication has enhanced the settlement of debt through telegraphic money transfer, e.g, Western Union money transfer.
3. **Reduction in cost and risk of traveling**: Through communication, the cost and risk involved in traveling long distances for business transactions can be greatly reduced.
4. **Creation of awareness for Goods and Services**: Communication helps in creating awareness for good and services in order to induce customers to buy.
5. **Facilitate contact between businessman**: It provides and facilitate Good and efficient means of maintaining close contact between businessmen.
6. **Communication enhances International Trade**: Foreign trade transactions can be facilitated through modern means of communication as various markets are linked together. To join my class on types of international trade [[Click Here](https://mnathall.com/types-of-international-trade-advantages-and-disadvantages/)]
7. **Facilitate mail order business**: Another importance of communication is mail order business. The use of poster system has greatly enhanced mail order business.
8. **Provides information for Government policies:** Information about economic and commercial policies of a government are transmitted through communication to the businessmen.
9. **Enhances air and sea transport**: Another importance of communication is that it enhances air and sea transportation, transportation by air and sea are made possible by communication. The use of radio, telegram and other means have made contact between the ship offshore and ports possible
10. **Good and fast means of spreading information**: Communication facilitates the dissemination of information about the market situation of goods and services.
11. **Ensures quick and fast delivery of Documents**: Documents and parcels are easily, quickly and safely moved from one place to another.

**Types and Forms of Communication**

1. Written communication
2. Oral Communication
3. Non-verbal Communication
4. Visual Communication

1. **Written Communication**: This occurs when people communicate in written forms. This is the application of group of alphabetical symbols of the language choosing to convey the message to the receiver. It provides permanent records and information are documented.

**Advantages of Written Communication**

* Written communication provides permanent records.
* It removes the necessity of personal contacts.
* The receiver can read the message as often as he wants.
* It is more reliable than oral communication.
* Provides recorded precedent, which can be used in the law court.

**Disadvantages of written Communication**

* It takes time to prepare
* It can be expensive to produce written message.
* It creates maintenance problem in terms of space at Bulky files and and piles of paper are used.
* Senders is not sure whether his message has been received or not.

2. **Oral Communication**: This occurs when people communicate in spoken language, face-to-face or over an electronic medium.

**Advantages of Oral Communication**

* It is very fast
* Provides immediate feedback.
* Easier to maintain secrecy.
* It cost little money.

**Disadvantages of Oral Communication**

* It consumes precious time
* Lacks aid to human memory.
* It can the distorted or misunderstood.

3. **Non-verbal Communication**: This is a method of communication, which employs the use of symbols, facial expression, pictures and gesticulations, e.g, traffic signs.

**Advantages of non-verbal Communication**

* It saves time.
* It serves the problem of linguistic.
* It makes verbal communication more effective by supporting it with visual stimuli.

**Disadvantages of non-verbal Communication**

* Only simple and limited message can be sent.
* This form of communication can be easily misunderstood.
* It is expensive when photographic films are used.

4. **Visual Communication**: This is a types and forms of communication which involves the use of the sense of sight or eyes only in disseminating information. Common means of visual communication involves the use of television, film show.

**Advantages of Visual Communication**

* It can reach many people at fixed date and time.
* The information can be stored.
* It does not waste time.
* it can also be useful to the deaf but literate people.

**Disadvantages of Visual Communication**

* It may be expensive to operate, e.g, television.
* The information can only reach the wealthy and literate members of the society.
* Questions cannot be asked on matters being discussed in television, etc.