

Subject: Business Studies

Class: JSS1

Term: First Term

Week 8

Topic: Division of Commerce

Lesson Objectives:

By the end of this lesson, students should be able to:

1. Classify commerce into its major divisions.
 2. Differentiate between home and foreign trade.
 3. Explain import and export trades.
 4. List products involved in home trade.
 5. List products involved in foreign trade.
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Introduction:

Commerce is a broad field that includes different activities that make buying and selling possible. To better understand how commerce works, it is divided into smaller parts based on their functions.

1. Classification (Divisions) of Commerce:

Commerce is broadly classified into **two major divisions**:

A. Trade:

Trade involves the **buying and selling of goods and services**.

Trade is further divided into:

- **Home Trade (Internal Trade)**
- **Foreign Trade (International Trade)**

B. Aids to Trade:

These are services that support trade, such as:

- Banking
- Transportation
- Communication
- Insurance
- Warehousing
- Advertising

✦ So, the full structure is:

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Commerce

└─ Trade

| └─ Home Trade

| └─ Foreign Trade

└─ Aids to Trade

2. Difference Between Home and Foreign Trade:

Feature	Home Trade	Foreign Trade
Definition	Buying and selling within the same country.	Buying and selling between two or more countries.
Currency Used	Uses the country's own currency (e.g. Naira).	Involves exchange of foreign currencies.
Language	Same language usually used.	May require translation/interpreters.
Examples	Lagos to Kano.	Nigeria to China.

3. Explanation of Import and Export Trades:

Foreign Trade is divided into three types:

Type	Explanation	Example
Import Trade	Buying goods from another country .	Nigeria imports cars from Japan.
Export Trade	Selling goods to another country .	Nigeria exports crude oil to the USA.
Entrepôt Trade	Re-exporting imported goods to another country.	Goods imported to Nigeria, then sent to Ghana.

4. Products Involved in Home Trade:

These are goods and services exchanged **within the same country**, such as:

- Garri
 - Yam
 - Palm oil
 - Local textiles
 - Shoes
 - Furniture
 - Mobile phones
 - Bread
 - Clothing
 - Books
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5. Products Involved in Foreign Trade:

Common Imports:

- Automobiles (cars)
- Electronics (TVs, phones)
- Pharmaceuticals (medicine)
- Industrial machines

- Refined petroleum



Common Exports:

- Crude oil
- Cocoa
- Rubber
- Cashew nuts
- Palm oil
- Solid minerals (e.g., limestone, coal)

Conclusion:

The division of commerce helps us to understand the roles played by trade and supporting services. Home trade occurs within the country, while foreign trade involves other countries. Understanding this classification is key to understanding how goods move in and out of an economy.