



MORE QUESTIONS SOLVED

I. Very Short Answer Type Questions

Question 1. What do you mean by internal trade?

Answer: Internal trade refers to the buying and selling of goods and services within the domestic territory of a country. In other words, the process of exchanging goods and services within the national boundaries of a country is called internal trade.

Question 2. Who are Itinerants?

Answer: Itinerant traders are retailers who do not have a fixed place of operation. That is, they do not have a shop from where they sell their products. They are also known as mobile traders as they keep moving from place to place in order to sell their products.

Question 3. Name any two Itinerants.

Answer: Hawkers and Peddlers

Question 4. Large quantity buying is characteristic of which trade?

Answer: Wholesale trade

Question: 5. Goods with little defects are sold in which type of shops?

Answer: Cheap jacks

Question 6. Used goods are bought and sold in which type of shops.

Answer: Second hand goods shop

Question 7. Give any two services of retailer to the customers.

Answer:

1. They provide regular availability of goods.
2. They provide information on new products.

Question 8. Give one example of chain stores.

Answer: Food chains of McDonald, showrooms of DCM

Question 9. In which business are goods bought and sold through postal services?

Answer: Mail Order Business

Question 10. Name the machine in which goods are bought and sold by inserting coins.

Answer: Automatic Vending Machines

Question 11. Give the full form of FICCI.

Answer: The Federation of Indian Chambers of Commerce and Industry

Question 12. What type of goods are suitable for Automatic vending machines?

Answer: Pre-packed brands of low priced products, hot beverages, milk, chocolates, newspaper, platform ticket

Question 13. What is meant by Automatic vending machines?

Answer: Automatic vending machines are coin operated vending machines which work like an ATM. It is useful in selling hot

beverages, milk, chocolates, newspaper, platform ticket etc.

Question 14. Name the retail outlets that sell merchandise through mail.

Answer: Telebrands

Question.15. Name any two departmental stores.

Answer. Akberally in Mumbai and Spencers in Chennai

Question 16. Name the retail organization where same types of commodities are sold at uniform prices located all over the country.

Answer: Chain Stores

II. Short Answer Type Questions

Question 1. Enumerate the features of retail trade.

Answer: A retailer is a business enterprise that is engaged in the sale of goods and services directly to the ultimate consumers. It has following features:

1. A retailer is the intermediary between wholesaler and the ultimate consumer. He is the last link in the chain of distribution.
2. A retailer buys goods from wholesalers and sells them in small quantities to ultimate consumers.
3. He maintains personal contact with his customers.
4. Generally, a retailer deals in a wide variety of goods.
5. He performs various marketing functions and displays goods to attract customers.
6. A retailer usually buys goods on credit and sells on cash basis.
7. Retail shops are generally situated near to customers.

Question 2. Differentiate between retail trade and wholesale trade.

Answer: Major differences between wholesalers and retailers are as follows:

Wholesalers	Retailers
(1) They are connecting links between the manufacturers and the retailers.	(1) They are connecting links between the wholesalers and the customers.
(2) They purchase goods in large quantities from the manufacturers.	(2) They purchase goods in small quantities from the wholesalers.
(3) They deal in limited number of products.	(3) They deal in variety of products for meeting the varied needs of consumers.
(4) They need more capital to start their business.	(4) They can start business with limited capital.
(5) The display of goods and decoration of premises is not necessary for them.	(5) They lay more emphasis on window display and proper decoration of business premises in order to attract the customers.
(6) Their business operations extend to different cities and places.	(6) They usually localise at a particular place, area or city.
(7) They do not directly deal with the customers.	(7) They have a direct link with the customers.
(8) They do not extend free home delivery and after sales services.	(8) They provide free home delivery and after sales services to the consumers.

Question 3. Describe the role and functions of the Chamber of Commerce.

Answer: Role and functions of Chambers of Commerce are given below:

1. Businessmen get valuable information free of cost.
2. They can expand their business activities with the help of suggestions and advice from Chambers of Commerce.
3. Chambers of Commerce creates markets for the products of their members by organising fairs and exhibitions.
4. Businessmen get a common forum at which they can discuss problems and exchange views on matters of common interest.
5. Differences and disputes among businessmen can be solved amicably and economically with the help of Chambers of

Commerce.

6. Members take advantage of educational and training facilities offered by Chambers of Commerce.
7. Chambers of Commerce undertakes research on behalf of their members.
8. Chambers of Commerce fosters a sense of cooperation among businessmen.

Question 4. What is the difference between a hawker and a peddler?

Answer:

Hawkers: A hawker moves about in residential localities. He carries his goods in a hand cart or bicycle. He deals in low-priced goods of daily use. For example, combs, toys, soaps, mirrors, bangles, vegetables, fruits, ice-cream, etc.

Peddlers: A peddler also moves from house to house and sells articles of daily use.

But he carries his wares on his head or on the back of a mule.

Therefore, the basic difference between the two is that hawker has a cycle or cart to carry his goods while peddler carries his goods on heads. So we can say that financially, peddler is weaker than hawker.

Question 5. Who are itinerants? Name different types of itinerants.

Answer: These retailers do not have the fixed places to carry their trade and generally move from one place to another in order to sell goods. They can be usually seen along the road sides, streets, railway compartments, bus stands, and fairs etc. They usually possess that stock which can be conveniently sold during the day. They need limited funds to carry their business. These types of retailers deal in daily need articles like vegetables, fruits, milk, eggs and fishes etc.

A brief explanation of this type of retailers is given as under:

1. Hawkers and peddlars:

These are the petty retailers who carry their products on their heads or on wheeled vehicles from door to door. They usually sell seasonal goods like fruits, vegetables and eatables and also sell certain other goods like pens, toys and utensils, etc.

2. Cheap Jacks:

They hire shops in different residential localities wherein they display their products for sale. They do not stick to one place; rather keep moving from one locality to another. They usually deal in household articles.

3. Market Traders:

They sell their products at periodical markets on 'market days'. The markets may be weekly or fortnightly. They also sell their wares at different fairs and gatherings.

4. Street Traders:

These traders are found on the pavements of crowded streets or markets of the cities. They are also known as "pavement retailers". In big cities like Calcutta, Delhi, Mumbai and Chennai etc., these traders are usually found selling their goods in different markets.

Question 6. Enumerate the services of the wholesaler to manufacturer and some general services.

Answer: Buying goods in large quantities from the manufacturer and selling them in small quantities to the retailer to cater the needs of the consumer is termed as wholesale trade. The person who undertakes such a trade is known as wholesaler. The wholesaler acts as an intermediary between the producer and the retailer. He is known as the first intermediary in the channel of distribution. The wholesaler distributes business works amongst the members of the staff in such a way that the whole enterprise may work as a complete unit. The distribution of work should be done in such a

manner as to yield maximum efficiency at minimum troubles.
To Manufacturers

1. The wholesaler provides valuable information to the producers regarding the needs and the requirements of the consumer.
2. As the wholesaler takes the responsibility of collecting order from retailers, he relieves the producers from this task and thereby encourage producers to concentrate on production.
3. The wholesaler provides finance to the producers at the time of need.
4. The wholesaler helps the producers in determining the quality and quantity of goods to be produced as he is in direct contact with the retailers.
5. The producers are helped to maintain steady prices for the product because wholesaler buys when prices are low and sell when prices are high.

General Service

1. There are certain goods which are to be assembled or graded before they pass to the retailer or the consumer. For these goods the presence of wholesaler is a must.
2. Wholesaler helps in standardisation and grading of the products.
3. For marketing of food grains the services of the wholesalers cannot be dispensed with because they help in packing and re-packing of goods.

Question 7. Explain the meaning and advantages of carrying on mail order business.

Answer: Mail order business is a type of retail trade where orders for the supply of goods are received from customers through mail and goods are dispatched through mail. The goods are supplied either by registered parcel or V.P.P. For this type of business, seller advertises in the leading dailies and magazines and desires the buyers to ask for quotation or price list from the seller. Mail order business has been described as shopping by post from the point of view of buyers and selling by post from the point of view of sellers. This form of retail trade has received wider application in USA and Canada. The leading mail order houses are Montgomery Ward Company, Sears Roebuck and Co. of USA. There are various types of mail order houses like general mail order houses, specialty mail order house, producer's mail order house, wholesaler's mail order house and middlemen type mail order. In this trade, there is no direct contact between the seller and the buyer.

The main advantages of mail-order business are given below:

1. This type of business can be started with a small amount of capital and involve less risks in comparison to other types of business houses.
2. Consumers staying at a distant place are benefitted by this method of sale.
3. There is no fear of bad debt as this business does not facilitate credit sale.
4. This business facilitates a country wide market and thereby results in market and operational economies.

Question 8. What is a departmental store?

Answer:

Departmental Stores: "A departmental store is that type of retail institution which handles a wide variety of merchandise under one roof with the merchandise grouped into well defined departments which are centrally controlled."

"A departmental store is a large retail establishment having in the same building a number of departments each of which confines its

activities to one particular branch of trade and forms a complete unit in itself.”

“A departmental store carries several product lines, typically clothing, home furnishings, and household goods, where each line is operated as a separate department managed by specialist buyers or merchandisers.”

Features of a departmental store are given below:

1. Central location
2. Provision of services
3. Corporate status
4. Elimination of middlemen
5. Centralised purchasing
6. Large variety of goods

Question 9. Explain different types of fixed shops under retail trade.

Answer: Fixed shops are of two types: (A) Small scale and (B) Large scale.

(A) Small Scale:

There are different types of small retailers which are explained as under:

1. **Street Stalls Holders:** These retailers carry their business on a very small scale basis in busy and crowded streets by erecting permanent shops. They purchase goods in large quantities from the wholesalers and local suppliers for reselling to the ultimate consumers.
They usually deal in household articles and products of daily need. These stall holders are usually the sole proprietors of their shops i.e. carrying every activity right from buying till final disbursement of goods to the consumers.
2. **Second Hand Goods Sellers:** These dealers deal in second hand or used articles. They purchase these articles from public or private auctions and private households. These articles usually include used garments, furniture, books etc. These dealers meet the needs of the poor people who cannot afford new articles.
3. **General Shops:** They deal in different variety of goods and are known as general merchants. The goods are meant for daily use or household purposes. They carry their business in permanent shops. They manage the shops themselves and are most often assisted by sales assistants.
Usually goods are sold on credit by these merchants to their permanent customers. They also provide free home delivery service and facility of exchange of rejected goods to the customers.
4. **Speciality Shops:** These retailers deal in one particular line of goods e.g. books, utensils, shoes and medicines etc. These shops can be operated on small scale basis and managed by the owners themselves assisted by salesmen.
The most important advantage which can be derived from these shops is that the owners possess the specialised knowledge about the product which is very helpful in satisfying the customers.

(B) Large Scale Retailers:

The second type of retailers under fixed shops is large scale retailers. The large scale production and rapid urbanisation are responsible for the establishment of large scale retailing organizations.

Most prevalent of these are:

1. Departmental Stores;
2. Multiple Shops or Chain Stores;
3. Mail Order Houses;
4. Super-Markets;

5. Co-operative Stores ; and
6. Vending Machines

Question 10. Write a short note on Vending Machines.

Answer: They are coin operated machines which are used in selling several products such as milk, soft drinks, chocolates, platform tickets etc in many countries. The latest area in which this concept is getting popular is the case of Automated Teller Machines (ATM) in the banking service. They made it possible to withdraw money at any time without visiting any branch of a bank. They can be useful for selling pre-packed brands of low priced product which have high turnover and which are uniform in size and weight. However, the installation cost and expenditure on regular maintenance and repair of these machines are quite high. Moreover, the consumers can neither see the product before buying nor can return the unwanted goods.

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