**COMMERCE SS1**

**Home Trade**

Home trade is the act of buying and selling goods within a geographical area, usually a country. It can be referred to as domestic or internal trade. Home trade is a branch of commerce which comprises of wholesaling and retailing.

**Retail Trade**

This is the business activity of selling goods and services to the final consumer. Retailing is the final link in the chain distribution of goods and services. All retailers are involved in assisting the physical movement of goods and services to the consumers at the right time and place. A retailer may be defined as a trader who buys goods in small quantities from the wholesalers and sells in bits or units to the final consumers.

**Reasons why retail business may fail**

1. **No advertisement**: Aggressive advertising is not embarked upon to create awareness for the products.
2. **Goods are not insured**: Goods are not insured, hence there exist high burden of risk.
3. **Competition**: Competition from bigger business can lead to failure of retail business.
4. **Business not separated from the owner**: Business money is not usually separated from personal money.
5. **Proper records are not kept**: Proper records of accounts are not kept due to the employment of a novice in accounting procedures.

**Wholesale trade**

This is a business activity which entails buying goods in bulk from the producer and sells in small quantities to the retailer and other merchants.

**Channels of Distribution**

This is a pathway through which goods move from the producers to the consumer. It is the path through which the ownership of products is transferred as it moves from producer to consumers.

**Examples of Large scale retailing**

**Departmental stores**: This is a collection of shops under one roof with ownership of each shop or department specializing in selling a special range of goods.

**Supermarke**t is a large retailing business unit selling mainly food and household items on the basis of high turnover, wide variety and assortment, self-service with much emphasis on merchandise appeal.

**Mail Order:** This is a form of large retailing in which buying and selling is carried out by post. Payment is either cash with order, cash on delivery or by installments. This is common in the developed world.

Other examples are: Hyper market, variety stores, retail co-operative society and so on

**Examples of small scale retailing**

**Hawking**: This a form of itinerant trade in which the merchants move their goods from one place to another on their heads, bicycles or vehicles etc

**Mobile Shops**: Mobile shops are where goods are arranged in a motor van and are moved from one place to another to reach the final consumers. The shops can be taken to rural areas to provide services.

**Kiosks**: This is a small store located in front of residential or commercial or industrial areas where petty goods like bread, sweet and biscuit are sold.

Other examples are: small stores, unit stores, market trading or stall holder and so on.

**Necessary Documents**

**Indent**: This a document used in international trade. It is an order or privilege to buy goods conveyed by an importer to a potential buyer. Indent is an official order or recognition for goods. It gives details of the goods, approximate price, date of delivery etc

**Bill of Lading**: This is a document of title giving the holder a right to take possession of the goods to which it refers. It’s a contract of carriage of goods between an exporter and the shipping company.

**Airway bill:** It is a non-negotiable transport document covering transport of cargo from airport to airport.

Others are: Certificate of origin, certificate of trading, bill of exchange and so on.