

# SCOPE OF BUSINESS

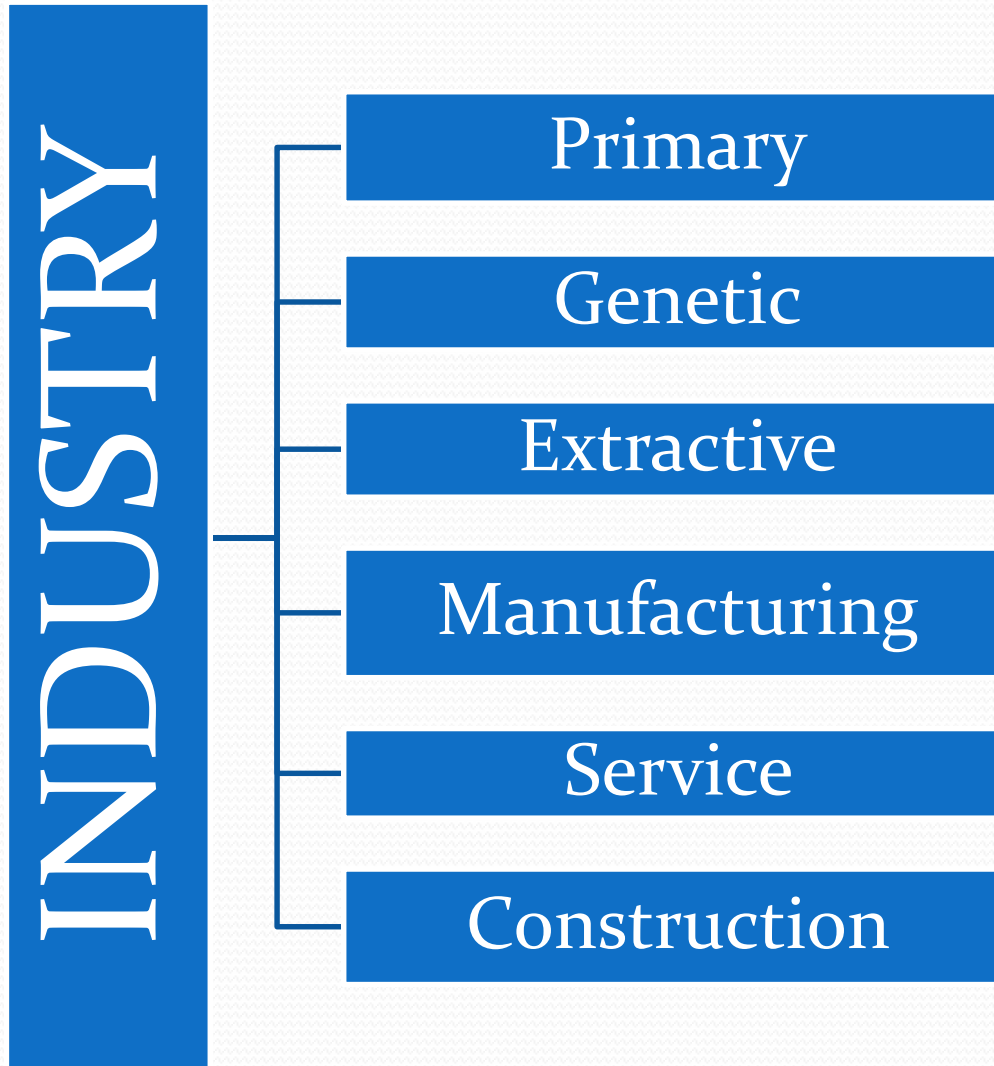
## MODULE \_ I

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BUSINESS

INDUSTRY

COMMERCE

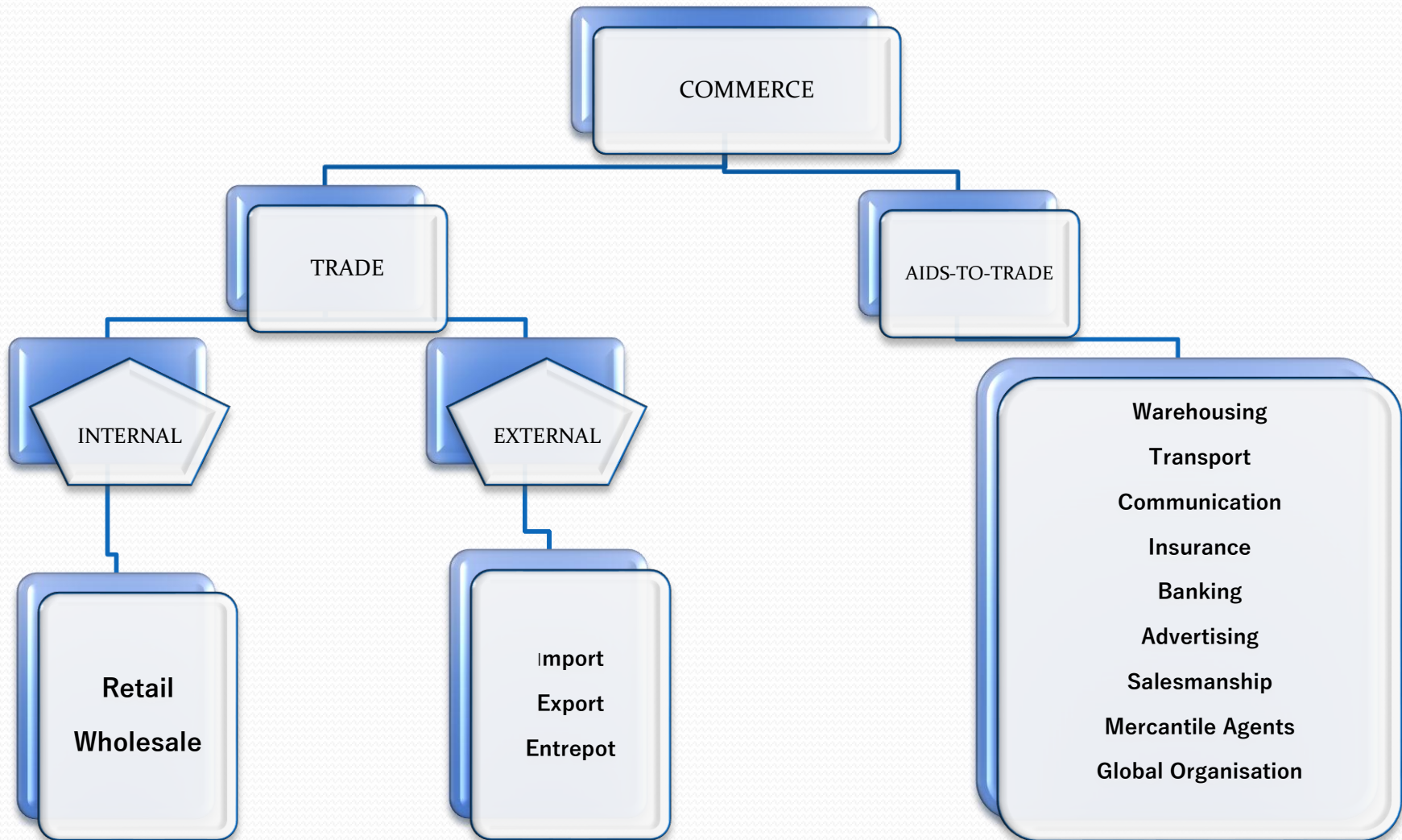


# INDUSTRY

- **Primary** : engaged in the production of primary goods such as rice, cotton, fish. E.g agriculture, fishing
- **Genetic** : Industries engaged in rearing and breeding animals and birds and growing plants or flowers for sale and are known as genetic industries. Now-a-days genetic industries are growing in number which include Horticulture (growing fruits and vegetables), Floriculture (growing flowers), Dairy Farming, Poultry Farming, Pisciculture (breeding fish) etc.

- **Extractive**: concerned with extracting materials or minerals from natural resources. Business houses engaged in extracting raw materials/minerals from earth (coal-mines, iron-ore mines etc.), extracting materials from forest for further processing (like collecting natural honey, timber etc.), extracting items from sea/river (like fish, crab, prawn, sea foods etc.). All these are examples of extractive industries.
- **Manufacturing**: Manufacturing industries are engaged in producing finished goods out of raw materials or semi-finished products. For example, cotton is used to produce textile, timber to produce furniture, bauxite to produce alumina

- **Service**: These industries are basically concerned with generating or processing of various services and facilitate the functioning of primary industries and secondary industries as well as activities of trade. These include service industries like banking, insurance, transport etc. Film industry which provides entertainment to the individuals, produces films; tourism industry which provides services to the individual by facilitating their travel, booking of tickets and hotel rooms etc. are also included in this category.
- **Construction** : The industries engaged in erection of buildings, dams, bridges, roadways, railways, canals, tunnels etc. are known as construction industries. They make use of the products of other industries and construct different types of structures as per the requirements of the customers.



# Trade

- A) **Internal trade** - When trade takes place within the boundaries of a country it is called internal trade. It means both the buying and selling take place within the country. For example, a trader can buy woolen garments from the manufacturers at Ludhiana and sell it to the retailers in Delhi. It is also known as home trade.

Internal trade is divided into:

- i) **Retail Trade** – buying in smaller lots from wholesalers and selling in very small quantities to consumers
- ii) **Wholesale trade** – involves buying in large quantities from producers and selling in smaller lots to retailers.



- B) External Trade -also called as foreign trade.

Trade that takes place between different countries is known as external trade. In other words, external trade refers to buying and/or selling of goods/services across national boundaries. This may take any of the following forms:

- (i) Firms of country 'A' purchase goods from firms of country 'B' to be sold in their own country. This is known as **Import trade**.
- (ii) (ii) Firms of country 'A' sell goods produced in their own country to firm of country 'B'. This is known as **Export trade**.
- (iii) (iii) Firms of country 'A' purchase goods from firms of country 'B' to be sold to firms of country 'C'. This is known as **Entrepot trade** . .

# AIDS – TO - TRADE

- 1) Warehousing – removes time difficulty. It enables the supply of seasonal goods throughout the year. It protects and preserves the goods from damage and spoilage.
- 2) Transport – solves place difficulty. It facilitates distribution of goods. It enables marketers to expand markets.
- 3) Communication – facilitates transfer of information. Can be in oral or in writing. Exchange of information with each other through postal and telecom services
- 4) Insurance – minimizes the risk.

- 5) Banking – solves the problem of finance. Arranging money and making payments to the seller through banks and other sources
- 6) Advertising- fills the knowledge gap. It creates awareness of the products and builds good brand image.
- 7) Salesmanship – facilitates personal selling. They convince and persuade the buyers to buy goods.
- 8) Merchantile agents- acts as intermediaries between the buyer and seller.