SCHEME OF WORK.   COMMERCE SS1 FIRST TERM

WEEKs   TOPICS/ CONTENT

WEEk 1. INTRODUCTION TO COMMERCE: Meaning, Scope functions Characteristics, E- commerce, meaning, and functions

WEEK 2. HISTORY OF COMMERCE. Historical background of commerce in Nigeria.. Factors affecting the growth of commerce.The barter system.

WEEK.3 OCCUPATION, Meaning, Classifications; industrial, commercial and services occupation. Factors that determine types of occupation and employment.

WEEK 4. PRODUCTION, Meaning and types of industry (primary & secondary). Commerce (aids trade)., Services/tertiary (direct & indirect)

WEEK 5 PRODUCTION, Factors determining the volume of production. Factors of production; land, labor, capital, entrepreneur.Divisionof labour; meaning, advantages and disadvantages. Limitations to division of labour.Specialization and exchange. Interrelationship between production, division of labour, exchange and specialization,

WEEK 6 TRADE , Meaning and types of trade., Home trade, Foreign trade, Entrepot trade Relationship among the different types of trade.

WEEK 7 HOME TRADE, Characteristics and functions of retail trade, highlight the features, advantages and disadvantages of retail trade. Factors to be considered before setting up retail shop. Small scale retailing; hawking, mobile shops, kiosk etc Meaning, characteristics, advantages, and disadvantages of each,

WEEK 8 SMALL SCALE RETAILING; Store/market trader meaning, characteristics, features, advantages and disadvantages. Unit/tied shop- meaning, characteristics, features, advantages and dis advantages. Reasons for survival or small scale retailers. Problems of small scale retail business.

WEEK 9 LARGE SCALE RETAIL TRADE; TYPES Super market; meaning, features, advantages and disadvantages. Departmental store; meaning, features, advantages, and disadvantages. Multiple/chain store; meaning, features,

WEEK 10 LARGE SCALE RETAIL

Mail order business r firms; meaning, features, advantages and disadvantages. Hyper market- meaning, features, adv. & disadvantages. Variety store/one top shop- meaning, features, advantages and disadvantages. Retail/whole sale co-operative society; meaning, features, advantages and disadvantages.

WEEK11 <u>MODERN TREND IN RETAILING</u>; Branding –meaning, advantages and disadvantages. Self-services; meaning, advantages and disadvantages. After sale services- meaning, advantages and disadvantages.Describe necessary documents used in home trade.

WEEK 12 <u>MODERN TREND CONTD</u>. vending machine; meaning, advantages, and disadvantages. Reasons why retail trade may fail.

WEEK 13 Revision /examination.

<u>WEEK 1 MEANING OF COMMERCE.</u>

Commerce can de defined as all the activities involved in the distribution and exchange of goods and services in the distribution and exchange of goods and service, in other words , commerce is a branch of production , exchange of goods and service and all activities which assist or facilities trade, eg banking , insurances , transportation , communication ,tourism etc.In simple terms: Commerce = Trade + all the activities that support trade (e.g., transportation, banking, insurance, advertising, warehousing, etc.)

It could also means the process of buying, selling, and distributing, goods and service, this process involved three major activates which are production, consumption and exchange; the central focus of commerce is exchange.

<u>MEANING OF E-COMMERCE:</u>

E-commerce (Electronic Commerce) refers to the buying and selling of goods and services using the internet. It involves online transactions between businesses, consumers, and even governments. E-commerce uses websites, mobile apps, and online platforms to complete trade activities without needing a physical store.

Electronic commerce is generally considered to be the sale aspect of e- business; it involves e-retailing, email. And fax, use ofweb, online market place

<u>Features of e -commerce</u>

- E-commerce uses websites, mobile apps,
- It makes use of online platforms to complete trade activities without needing a physical store.
- E-commerce is a modern way of conducting trade using digital technology.

- It offers convenience, wider reach,
- faster transactions, and efficient customer service, making it essential in today's global economy.
- Online Payment, Processing is faster

FACTORS NECESSARY FOR THE SUCCESS OF E-COMMERCE VENTURES.

1. It provides added value to customer
2. Focus on marketing
3. Ensure speculation,
4. Offered outstanding services
5. Reduces and avoid fear uncertainty,

FORMS OR CATEGORIES OF E –COMMERCE.

Examples of E-Commerce Platforms:

- B2C (Business to Consumer) these is where selling to the general public typical though catalogs .
- B2B (Business to Business): these is where business doing business with each other's , such manufacture selling to distribution and wholesaler selling to retailers .
- C2B (Consumer to business): here a consumers posts his his project with a set budget online, it is a meeting ground and platform for such transection.
- C2C (CONSUMER to Consumer): here consumers buying directly to consumers online payment,
- GCG (Government to Govt), GovT doing business with one agencies to another's ie, each other's
- (G2c) Govt to citizen,
- (G2E) Govt TO Employees
- (C2G) Citizen to Govt; economy of citizen doing business with the Govt, paying tax, renewing licenses,

FUNCTION/ ADVANTAGE OF E-COMMERCE,

1. It offer better price on online store than they get on retail store,
2. Very convenience for customers to shop at their comport zone,
3. They is wider recognition well as in scope
4. Favorable competition as small companies complete with bigger companies,
5. Lower overhead cost.
6. It eliminate the use of cost,
7. Elimination of middlemen, like wholesaler and retailers,

8. Facilitates digital payments through credit/debit cards, UPI, net banking, e-wallets (e.g., PayPal, Google Pay).
9. Uses digital marketing tools like, email marketing, and social media to promote
10. Tracks customer orders, inventory, shipping, and returns efficiently through software systems.
11. Provides assistance to customers through catboats, email support to solve queries or issues.

DISADVANTAGE OF E-COMMERE

1) It lead to reduction in staff as companies reduces its work force,
2) Stiffer competition exists as smaller companies complete on global scales.
3) They is decrease investment,
4) Disadvantage in closure of street store
5) There are not easily accessible,
6) Problems of computer illiteracy
7) Goods may not meet consumers satisfaction since he is not inspect the goods before making payment.

_ Evaluation question,

1) What Is Commerce
2) State and explain the five forms of E- commerce,

Assigment

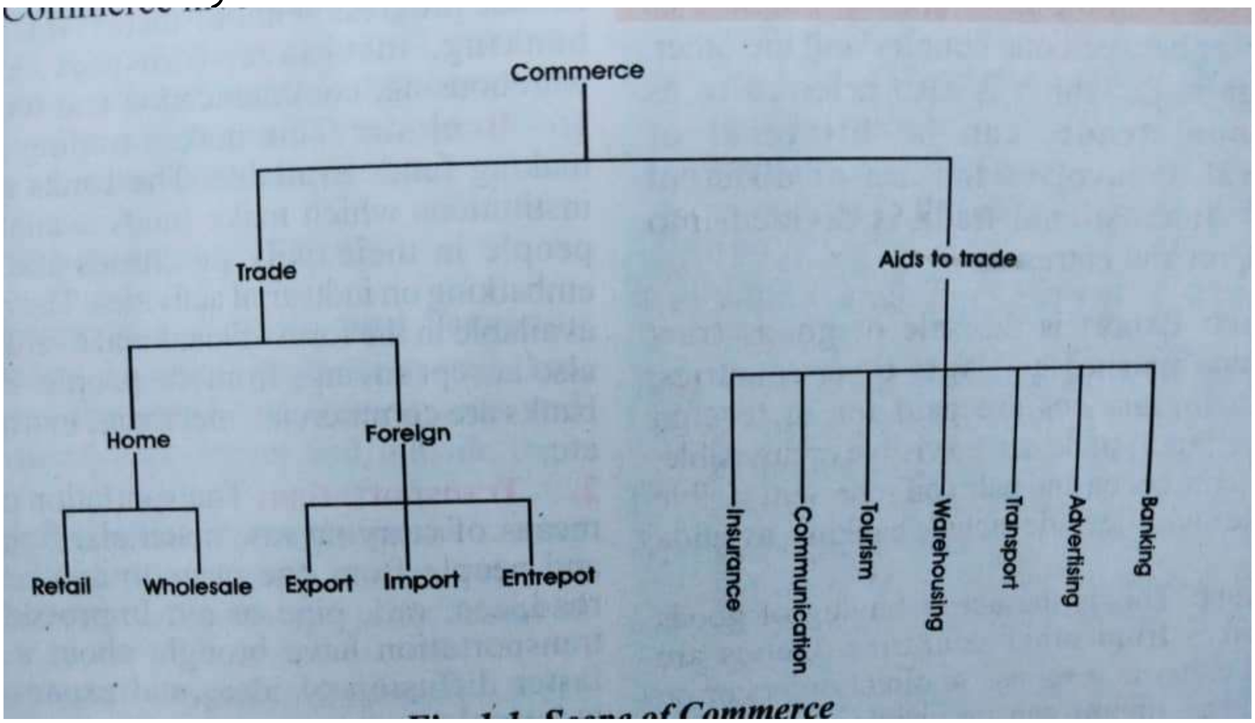
1. Explain e- business
2. Explain the function of e –commerce
3. Explain (c2B) (ii)B2B (iii) C2C) SSCE 2026 WAEC.

SCOPE OF COMMERCE,

The scope of commerce may be seen as the embracing the totality of all activities which ensures the distribution and exchange of goods and service for the satisfactions of the people and services for the distribution of people commerce embraced trade and the ancillaries or aids to trade. The scope of commerce is aids to Trade – Services that support trade, such as:

- Banking
- Transporting
- Insurance
- Advertising
- Warehousing
- Communication

- Tourism
- Trading.



<u>AIDS TO TRADE</u>

Aids to trade are the various support services and activities that facilitate the smooth flow of goods and services from producers to consumers. , aids of trade are ancillaries to trade; They help overcome barriers like distance, time, communication, finance, and risk, making trade more efficient and effective, the include the following.

1.) <u>Transportation</u> is the movement of goods and people from one place to another. In trade, it plays a vital role by helping move raw materials to factories and finished goods to markets or customers, Includes Road, rail, air, sea, and pipeline transport.

<u>2.Banking</u>. Banking and finance refer to the services provided by banks and financial institutions to support trade by managing money, providing credit, and facilitating payments. Importance of Banking and Finance in Trade are as follows Provides Capital for Business., pay workers, or expand operations. Banks give loans, overdrafts, and credit facilities.

<u>3.) Insurance</u>; Insurance is a service that provides financial protection against risks or losses in business and trade. It helps traders recover from unexpected events like accidents, theft, fire, or damage during

transportation.it helps in Protection against Loss, Goods can be damaged or lost due to fire, theft, natural disasters, or accidents.
Insurance companies compensate for such losses, reducing the financial burden on traders.it Encourages Risk-Taking With insurance coverage, it Builds Confidence in Trade. Both buyers and sellers feel secure when goods, property, or employees are insured..

4,) Warehousing; Warehousing refers to the process of storing goods in a safe place until they are needed for sale or distribution. The place where goods are stored is called a warehouse. Importance of Warehousing in Trade: Storage of Goods Helps traders store goods until they are sold or distributed..

5. Advertising' Advertising is the process of promoting goods and services to potential customers using various forms of media. It informs, persuades, and reminds people about products, helping businesses increase sales and grow their market. Importance of Advertising in Trade: Creates Awareness, Informs customers about new products, features, prices, and availability. Helps launch new products in the market successfully.

6.Communication; Communication is the process of exchanging information between people or organizations. In trade, it helps businesses share information with customers, suppliers, transporters, banks, and other stakeholders. Communication Connects Buyers and Sellers, Quick Decision Making,

7, Tourism; It involves people traveling to different places for leisure, business, or other purposes. It is an important aid to trade because it creates demand for goods and services and helps boost the economy. How Tourism Aids Trade: Employment ie jobs in hotels, restaurants, travel agencies, transport, and other related sectors.

IMPORTANCE OF COMMERCE

Commerce is the system or process that facilitates the exchange of goods and services between producers and consumers. It is the life blood of the nation, because it aids in the exchange of goods and service, Why Commerce is Important:

1. Facilitates Exchange of Goods and Services. Helps move goods from producers to consumers efficiently.
2. Creates Employment Opportunities. Generates jobs in trading, transport, banking, warehousing, insurance, advertising, and more.

3, it helps to enhance mass production of goods and service,

4 it facilitate the rising of capital for individual need and investment through the service of banks and other financial institution,
5. it provides warehousing function,
6. Improvement in the standard of living of the people as well as risk bearing
7. Creation of the wealth for nations as most goods are imported
8. Supports Industrial Growth; Provides raw materials and markets for finished products.
9. Encourages Specialization; Enables regions or countries to specialize in certain goods and trade for others.
10, Promotes Economic Development, Increases production, trade volume, and overall wealth of a country.
11, Helps in Price Stabilization Through warehousing and regulation, commerce can reduce fluctuations in prices.
12. Connects Markets; Links local, national, and international markets for goods and services.

WEEK 2'

HISTORY OF COMMERCE.

Historical Background of Commerce in Nigeria

Commerce in Nigeria has a long and rich history that predates colonial rule. It evolved over centuries, shaped by indigenous trade systems, regional trade networks, and later, in older days people engaged in subsistence production later the started interacting with each other's , as it was difficult for them to meet all their daily requirement because the was no trade rather the system of exchanging goods for goods called trade by Barter then came int existences, this was how trading started across the world, Trading activities were however ,limited to internal trade only.

The first form of foreign trade in Nigeria was the Tran Sahara trade in which camel were used as means of transportation, The Arab merchants brought goods like salt, coppers, cloth, books, etc which were exchanged for Kola-`nut, slaves, Gold, hides and skin etc.in the northern Nigeria like kano, katsina. Northern Nigeria was part of the trans-Saharan trade route connecting to North Africa. Goods traded included gold, salt, slaves, and textiles.

Islam also spread through these routes, influencing commerce and introducing Arabic literacy and bookkeeping. Southern Nigerian communities engaged in trade with European merchants as early as the 15th century, especially the

Portuguese. Coastal regions like Bonny, Calabar, and Lagos became important trade centres.

The Europeans traders brought weapons, books, cloths etc and exchange them for slaves and palm oil, the important trading routes to the sea were Badagry, Bonny, Opobo, and calabar,

After the abolition of slave trade by the British Government, the first commercial activities was the establishment United African Company (UAC) and Royal Niger Company, Today Nigeria becomes a force to be reckoned with in the export of palm oil, cocoa, ground nut, and crude oil.

At present, commercial activities have reached a crucial stage in Nigeria with the introduction of sophisticated modern technology such as computers, e-mails, internet, etc facilitate trade, many commercial cities have center shave developed in many cities and town like Lagos, Ibadan, Kano, Port Harcourt, Warri, Kaduna, Iiorin etc.

Factors affecting the growth of commerce., The barter system

The following are the factors affecting the growth of commerce in West Africa.

1. Insufficient capital ; most African countries lacks insufficient capital to cope with the expanding natures of business activities, these limit the growth of commerce
2. Low saving habit of people limit their levels of going into commercial activities.
3. Political instability. Frequent changes in govt and war have hindered investment in West African in recent time discouraging foreign investors to invest within the sub region on places like chibok,
4. Low per capital income of the majority of the people in west African affect the growth of trade ,
5. Problems of adequate commercial facilities such as banks, insurances, warehousing and tourism are not well developed ,which has limit the growth of trade,
6. The predominance of primary production, as most the traders or production is at a subsistence's levels.
7. Poor transport and communication system limit the growth of trade in west Africa, as most of the people have no access to telephone. Or internet.
8. Absences of a well-developed market.

9. Low levels of Education and illiteracy, as most the people can not read or write, and therefore can interact with foreign trader in a business transection.

THE BARTER SYSTEM

Trade by Barter could be defined as a system in which people directly exchange one commodity for another's, the barter system was an old method of exchange that involves trading goods and services directly without using money. A farmer gives wheat to a shoemaker in exchange for shoes. A carpenter might build furniture for a tailor in return for clothes.

Advantages of trade by barter

1. Simple system – especially in small communities.
2. No need for currency or banking.
3. Useful in crisis situations where money is unavailable or devalued.

Disadvantages

1. Double coincidence of wants – both parties must want what the other has.
2. Difficult to store wealth.
3. Hard to determine value (e.g., how many chickens is a cow worth?).
4. Not efficient for large-scale trade.
5. No fixed rate of exchange how much of garri will exchange for beans.
6. Problems of divisibility, ie many goods cannot be divided into small convenient. Units, they are heavy and indivisible, so it does not encourage divisibility.
7. No room for deferred payment
8. It discourages borrowing and lending as there is no no standard unit for measurement.
9. It leads to wastage of time and effort.

Why trade by barter Was Replaced

As societies grew more complex, the need for a standard medium of exchange led to the invention of money, which:

- Solved the issue of double coincidence of wants.
- Allowed easier valuation, storage, and transfer of wealth.
- It encourages borrowing and lending as there is no no standard unit for measurement

Evaluations question.

1. What are the factors that adversely affect the growth of commerce in West African? (SSCE NECO 2008)

2. Explain five factors that contribute to the growth of commerce (SSCE WAEC 2025)

ASSSIGNMENT

1, what is trade by barter?

3. Discuss the five problems of barter system.

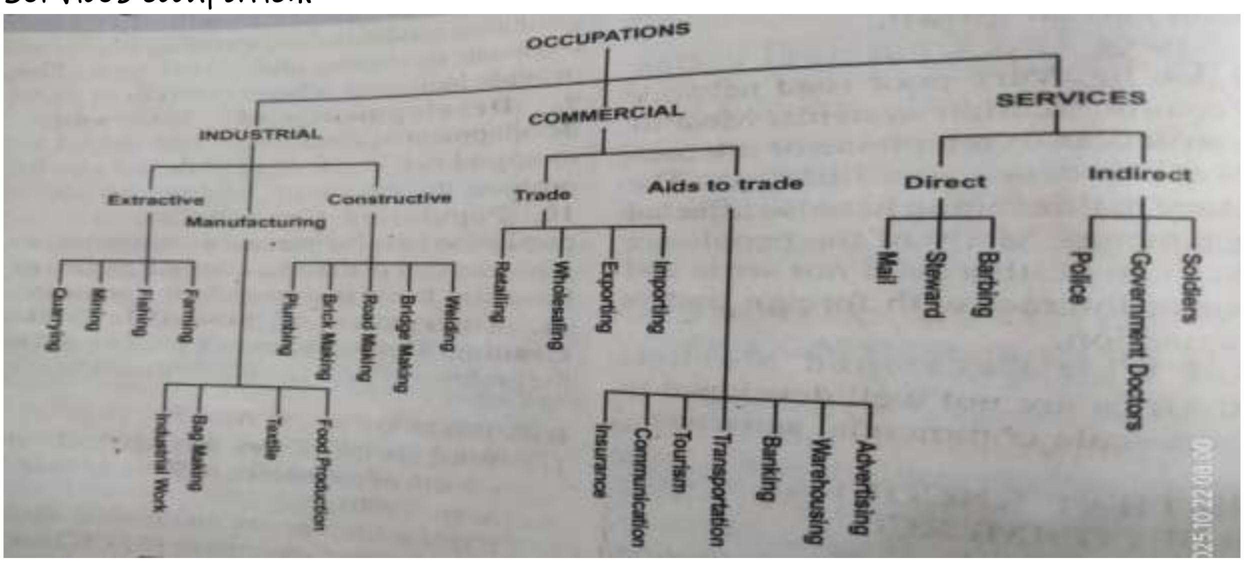
Week 3

OCCUPATION.

Meaning, it could be defined as any economic or productive activities which people engage in to create and procure goods and service in order to make a living. Occupation could also refer to the specific job or type of work that a person does to earn a living. Examples, Doctor, Teacher, Software engineer, Construction worker, Cashier,

Classification of occupation.

Basically, they are classified into three group, namely

1. industry (Industrial) occupation
2. Commerce (commercial) occupation.
3. Services occupation.
4. 

FactorsTHAT DETERMINE TYPES OF OCCUPATION AND EMPLOYMENT

They following are factors that determine the types of occupations and employment,

1. Climatic and weather differences / condition in a given place determine the choice of occupations,

2, Availability of natural resources does affect the choice of occupation of people.
3. The education and skill acquired or that one has,
4, wages and salaries affect the choice of occupation.
5, industrial hazard, the risk associated with a specific job, affect the choice
6. Govt policies as well as the person seeking for the job.
7. Others factors , such interest on the job, ability of the people,
Industry; it_consist of those activities general towards the production of goods through extraction, manufacturing, and construction. Healthcare industry (e.g., hospitals, clinics), Education industry (e.g., schools, universities), Construction industry, Technology industry and Retail industry,

Industrial occupation.

It involves those occupation who engage in the physical production of goods or changing of raw materials into finished or semi-finished products, it also refers to those activities involving the extraction and processing of raw material into finished or semi -finished goods, example so industrial-occupation-are. 1, Extraction, 2,Manufacturing,3 Construction.

Eg of industrial occupation workers are , farmers ,carpenters , fishermen, miners, Manufactures, plumbers, and welders,

Types of industrial occupation.

A,) Extraction occupation; It refers to the activities of obtaining raw materials and natural resources from the soil. Or sea, eg mining, oil, and gas extraction industries. These involve the physical removal of natural resources from the earth. Examples include: Miner, Oil rig worker, Gas plant operator, Quarry worker, Driller , Fishing, farming, hunting, forestry and lumbering.

B) A manufacturing occupation ;refers to a job involved in the production. processing and turning raw materials produce from the primary industry into finished product.eg,

1) Textile processing
2) Shoe making.
3) Rubber processing
4) Food processing
5) Plastic processing, etc.

C) Constructive Occupation. ; It refers to those occupation that is concerned with all the activities of assembling of goods manufactured into useable form. example, Road construction, building, airport. Bridge, Goldsmith and furniture constructions. Eg road constructions, Building construction, airport construction, bridge construction, Goldsmith etc

Commercial occupation; it refers to all those people involved in the distribution and exchange of goods produce by the industrial sectors.eg bankers, transporters, trader, insures, importer, exporter, etc. the types of the commercial occupation are the aids to trade.

iii) service occupation. ; Service occupation are sometime classified as tertiary occupation,their main task is to help, assist, or provide a service to other people or businesses, rather than produce physical goods. there also called tertiary occupation. These roles are essential to the service sector, which includes industries like healthcare, education, hospitality, retail, and public safety.

Types of service occupation

Direct services ; Direct service occupations are jobs where the worker interacts face-to-face with individuals to personally provide a service. it rendered services for direct consumption, and are paid for those who enjoy it. eg housemaid, entertainer, barbers, steward, family doctors, lawyers in private practice.

Indirect service occupations; They are jobs that support the delivery of services, it includes service rendered by the general public, Eg doctors in a public hospital, police force, solider, custom office, civil servant, law makers etc

Evaluation question,

1, Define occupation.

2, show with aids of a diagram , the classification of occupations and give example each.

3, Define industry.

Assignment

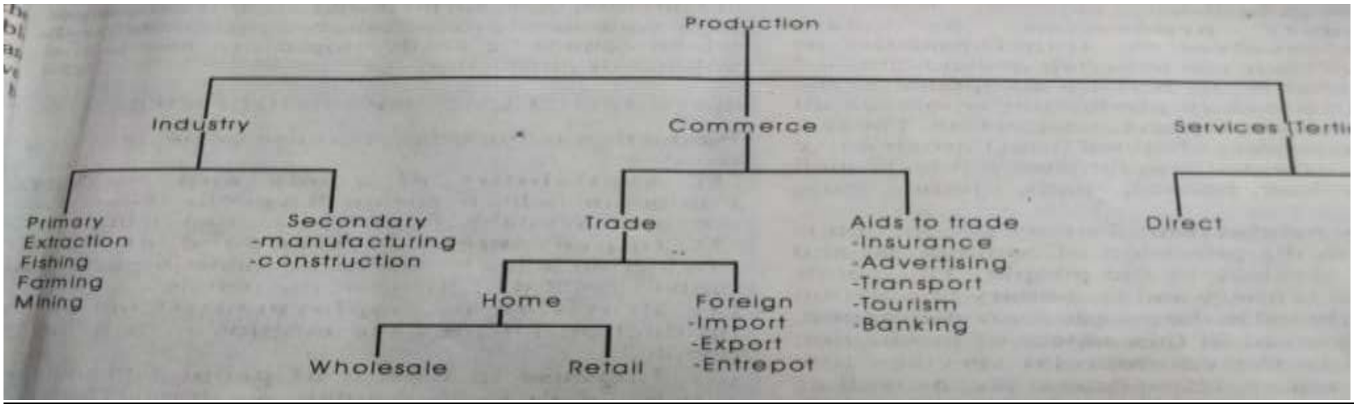
1,List and explain four activities of those engaged in commercial occupation,

2,whatis an occupation,

WEEK 4.

PRODUCTION DIVISION OF LABOUR AND SPECIALIZATION

Meaning ; production could be define as the creation of utility that satisfy human wants. It could be defined as the transformation of raw materials into finished goods and their distribution to the consumers to satisfy their wants.



Types and stage of Production,

Direct production, it is that types of production in which an individual produces goods and services only for family use or consumption, it is normally small in size.

Indirect production; it is that types of production in which goods and services are produce in large scale mainly for sales or exchange for other needs, it is subdivided into three major group.

Primary production. It refers to the extraction of_raw materials provides by nature, it is concerned by with the process of obtaining raw materials or resource for further production, eg agriculture, mining, fishing, lumbering.

Secondary production.; this involves the transformation or_conversion of basic raw materials or semi – finished goods into final forms that are acceptable to the consumers. The raw materials or resource obtained from extractive sectors are transforms into finished products roads, clothes, cars etc.

Tertiary production. Tertiary production is concerned with the provision of commercial and professional services to the people, these commercial services like the wholesaler, retailers that aids the trade, eg soldiers, policeman, doctors, lawyers, hair dresser, teacher.

WEEK5.

FACTORS THAT DETERMINE THE VOLUME OF PRODUCTION,

There following are the factors that determine the volume of production, namely

1. Amount of capital that an individual has determine the volume of production,
2. The availability of raw materials
3. Efficient management system enhances production.
4. Availability of storage facilities,
5. The levels of technology

6. The market sizes

Factors of production,

Factors of production refer those things that aids production processes, there include the following, Land, capital. Labour, Entrepreneurs.

LAND; Land is defined as a free gift of nature that are immobile and fixed in nature, the include mineral resource, rivers, oceans, atmosphere, The reward for Land is RENT.

Land is very important for farming purposes, livestock production, fishery production, wild life purpose, road construction, others uses and importance of land, social and recreational purpose, source of minerals and transportation purposes.

Features / Characteristics of Land

A. Land is immobile, ie it cannot be moved from one place to another.
B. The supply of land is fixed
C. Land is subject to the law of diminishing returns.ie when put into use frequently under cultivation, it becomes less productive,
D. Land is free gift from nature
E. Land is heterogenous
F. The reward for is Rent,

LABOUR; Labour could be defined as all forms of human efforts put into or utilized in production, it also refers to any mental and physical efforts that aids production processes that are normal rewarded. The reward for labour is WAGES AND SALARIES.

Types of Labour

There are two main types of labour, namely skilled and unskilled labour.

1) Unskilled labour; these are labour that require little or no formal education or trainings there do not use mental effort, eg messengers, cleaners, gardeners, etc
2) Skilled labour, this category of labour make use of their mental efforts in production process, formal education/training is involves here, engineers. Medical doctors, teachers etc

Features of Labour,

1) Labour is mobile; ie it can move either by geographically and occupational mobility
2) Labour has feeling
3) Labour is skillful eg through training
4) Labour is a human factor and requires motivation,

5) Labour is not fixed
6) It is perishable.
7) Labour control others factors of production,

CAPITAL .

Capital may be defined as man-made asset used for production process, they era man - made wealth or goods used to produce other goods and services. It may be also be defined as the stock of previous wealth in vested to produce future wealth. The reward for capital is INTEREST. Capital is man-man, and durable.

Types of capital.

The following are the different forms of capital, it includes the following

1, Fixed capital; These are asset which are used in the course of production, that last for a long period of time, they are durable for the business, eg are land, building, tools, motor vehicle, plants and machinery.

2, Circulatory or working capital ; it consist of capital which either change their forms or used in the course of production are raw materials ,water, fuel etc.

3, Current/Liquid capital; these are the asset that are required for day to day running of productive activities, they can be easily changed from one form to another, eg finished goods, money, debtors etc.

4.Social capital. These are capital provided by the government to aid production, ie found made available to provides the needed amenities for the people. Such as aids fo water supply, telephone, roads etc,

THE ENTREPRENEUR

An entrepreneur can be defined as the factors of production that co-ordinates and organizes other factors of production. (Land labour and capital, the entrepreneur bears the risks and takes major decision of the business. The reward for entrepreneurs is PROFIT.

Features / importance of an entrepreneur.

1) He bears the risks of the business alone, ie he risk his capital in the course of the investment.
2) He organized others production process
3) He often makes decision of the business, on what to produce, what to supply.
4) Provision of capital to finance the business operation alone.
5) Ensure the effective management of the business and ensure effective organizations.

6) Entrepreneur control other factors of production'
7) He determines pricing policy .

DIVISION OF LABOUR,

Meaning, Division of Labour refers to the process of breaking down the production of goods or services into different tasks, with each task being assigned to different workers or groups. This allows for specialization, which can increase efficiency and productivity. Tasks are divided among individuals based on general abilities (e.g., farming, hunting).

SPECIALIZATION

it is the process where individuals, businesses, regions, or countries focus on producing a limited range of goods or services that they can produce most efficiently.

It could also mean the concentration of the productive efforts of an individual, a firm, or country in a given aspect of economic activity or on a particular line of production in which it has the greatest advantage over others.

Types of specialization.

Specialization by process; It refers to dividing the production process into distinct stages, where each worker, machine, or department focuses on one specific part of the overall task. This is commonly seen in mass production and factory systems.

Specialization by sex ; it also refers to the division of labour based on gender, where certain tasks, roles, or occupations are traditionally or culturally assigned to males or females. By customs and tradition or by law for examples men are mainly involved in driving of trailers , while women are involves in local weaving .

Specialization by products; it refers to when an individual, business, region, or country focuses on the production of a specific product or type of product, rather than producing a wide variety of goods. The goal is to become more efficient, skilled, and competitive in producing that specific itemExamples: Individual: A baker who specializes in making only cakes instead of all kinds of pastries. A company that only manufactures smartphones rather than various electronics.

Specialization by Territorial or Geographical Region

Specialization by region (territorial or geographical specialization) refers to when a particular area, region, or country focuses on producing goods or services that it can produce more efficiently due to its natural resources, climate, location, skills, or infrastructure.

Advantage of division of Labour

A. It leads to Increases efficiency and productivity
B. Division of labour Encourages expertise and skill development
C. It Saves time
D. Enables the use of specialized tools and machinery
E. It reduces training time for workers
F. It leads to specialization due to performances of a particular job.
G. It leads to the development of technology

Disadvantages:

1) Monotony or repetition kills interest, as the job becomes monotonous and boring,
2) It leads to decline in craftsmanship machine minded,
3) Reduction of employment opportunity.
4) It can lead to worker boredom or dissatisfaction
5) Creates interdependence – if one worker fails, it can affect the entire production line
6) Limits workers' skill range
7) It May increase risk of unemployment if specialized skills become obsolete ,

WEEK 6

HOME TRADE (INTERNAL TRADE)

This is a trade that takes place within a single country. Selling and buying in local market within the same country.

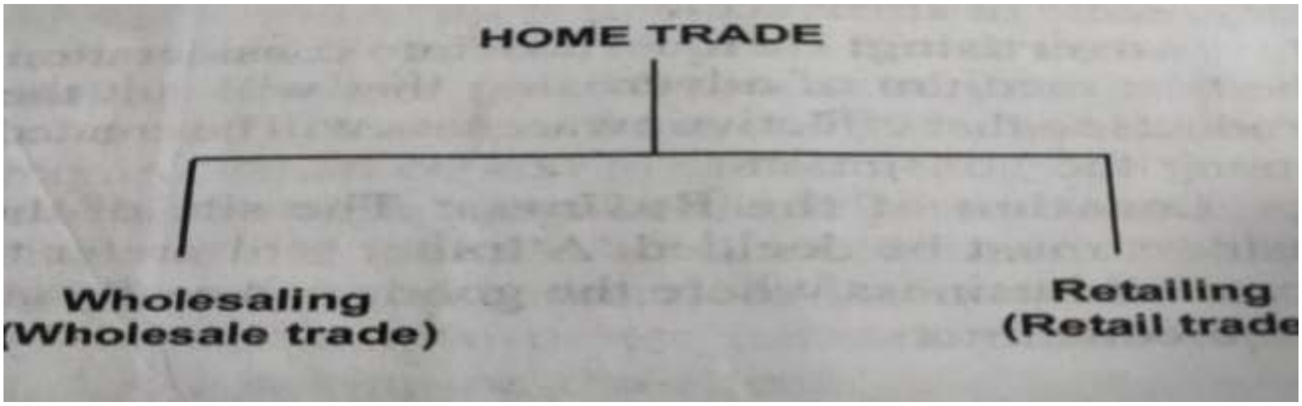
TYPES OF HOME TRADE:

Wholesale Trade: Buying goods in large quantities from producers to sell to retailers.

Retail Trade: Selling goods in small quantities to final consumers.

Features:

- No customs duties
- Same currency and laws
- Easier transportation
- Mostly consumer sable goods are used .



2. FOREIGN TRADE (INTERNATIONAL TRADE)

This is trade that takes place between different countries.eg Nigeria and Togo that take place across international boundaries

Types of Foreign Trade:

- Import Trade: Buying goods from other countries
- Export Trade: Selling goods to other countries
- Entrepot Trade: Importing goods to re-export them after processing or repackaging

Features:

- Involves foreign exchange
- Subject to customs and tariffs
- Different languages, laws, and currencies may be involve

1.Import Trade

It involves Buying goods and services from another country. To obtain goods those are not available or are more expensive domestically. Example: Nigeria importing electronics from China,

2. Export Trade: it involves Selling goods and services to another country. To earn foreign exchange and expand the market for local goods. Example: Brazil exporting coffee to Europe South Africa exporting gold to the UK.

3. Entrepot Trade (also called Re-export Trade)

Definition: Importing goods from one country and then re-exporting them to another country after processing, repackaging, or simply storing. It helps to act as a trade hub or middleman. Example: Singapore importing machinery from Germany, repackaging it, and exporting it to Indonesia. Dubai importing gold from Africa, refining it, then exporting it to Europe.

DIFFERENCES BETWEEN HOME TRADE AND FOREIGN TRADE

The main differences between home trade and foreign trade presented in a clear and structured way:

foreign trade	Home trade
The exchange of goods and services between two or more countries.	The buying and selling of goods and services within the same country.
It Involves two or more countries.	Limited to one country.
Transactions often involve foreign exchange and multiple currencies	Transactions are done in the local/national currency.
Requires extensive documentation (e.g., bill of lading, export license, customs forms).	less documentation (e.g., invoice, receipt).
It Often subject to tariffs, quotas, customs duties, and government regulations.	No trade barriers like tariffs or quotas
There is a languages barrier in external trade	There is no languages barriers in home, as common languages are used
Transport is higher in external trade	Transport is lower in-home trade
Different weight and measure are used	weight and measure are used but not effective like that

Assignment

1, state any three major differences between home trade and foreign trade.

2. Explain Entrepot Trade.

WEEK 7.

HOME TRADE. 2

FEATURES AND FUNCTION OF A RETAIL TRADE.

I. FEATURES OF RETAIL TRADE

Retail trade involves the sale of goods and services in small quantities directly to the final consumer. It is the last link in the distribution chain. There is mostly call a retailer,

A RETAILER.

A retailer is a person or business that sells goods or services directly to the final consumer for personal use. They are the last link in the chain of distribution, connecting manufacturers or wholesalers with end-users.

Function and Features of a Retailer:

1. Sells to Final Consumers, Retailers do not resell goods but sell directly for personal or household consumption.
2. He sells in smaller unit.
3. Buys in Bulk, Sells in Units, they buy large quantities from wholesalers and sell in small units to customers.
4. Wide Variety of Goods, it usually keeps various brands, styles, and types of goods to satisfy different customer needs.
5. Located near Customers; to increase convenience, retailers are often situated close to residential or busy areas.
6. Personal Service; They offer personal services like assistance, advice, and after-sales support.
7. Bear Business Risks. He faces risks such as price drops, unsold stock, theft, or product damage.
8. Use of Technology. Modern retailers use electronic billing, online sales platforms, and inventory systems
9. Customer Interaction. Retailing involves direct contact with customers, allowing retailers to understand consumer preferences.
10. Warehousing and Storage. Retailers store goods safely until they are sold, reducing the storage burden on producers and consumers.

FACTORS TO BE CONSIDERED IN SETTING UP RETAIL TRADE

Starting a retail business requires careful planning. Several factors must be considered to ensure success and sustainability. Below are the key factors:

1. Location. Choose a place with high foot traffic, visibility, and easy access. Consider proximity to your target market and competitors. I firm may consider or locate its business where goods can easily get to the consumers,

2.Capital (Finance): before starting business the initial capital /seed capital must be taken into consideration, assess how much money is needed to start and run the business (start-up and working capital). Consider sources of funds: personal savings, loans, investors, or grants.

3.Type of Goods to Sell as well as source of supply, ie to Decide what products to offer based on: Market demand, that is the needs of the people, Profit margin, Availability from source of suppliers

4. Experiences: the business acumen and managerial abilities of the retailers will determine the scope of the retails trade.

4. Target Market, know who your customers are (age, income, lifestyle). This will helps in choosing the right products, pricing, and marketing strategy.

5. Competition; Analyse existing competitors in the area or niche. To Identify what makes your retail store different (price, quality, service, etc.).
6. Legal Requirements; Register the business and obtain necessary licenses or permits. Comply with tax, health, safety, and zoning regulations.
8. Store Design and Layout; The arrangement should be attractive and convenient for customers. A Good layout increases product visibility and improves shopping experience.
9. Staffing;To Decide the number and type of workers needed. Consider experience, customer service skills, and training needs.
10. Marketing and Promotion; ie advertising ,Plan how to attract and retain customers (ads, discounts, social media, loyalty programs).
11. Technology; Use POS systems, inventory management software, or e-commerce platforms for better efficiency.
12. Pricing Strategy; Set prices that are competitive but profitable. Consider cost of goods, expenses, and customer buying power.

CLASSIFICATION OF RETAILS TRADE.

SMALL SCALE RETAILING

Small scale retailing is a retail trading with small scope of operation. Little can capital can be used to set up small scale retailing trade such as,
1, Hawking /itinerant peddling.
2, Mobile shop
3, street or roadside trading
4, market traders or stallholder
5, unit store/ tied shops
6. Small stores
7, Kiosks.

HAWKING /ITINERANT PEDDLING

Hawking is a form itinerant trade in which the Marchant move their goods from one place to another on the head, bicycles or vehicle, etc

Peddling involves the movement of goods from one house to another or from one place to another; it required small capital to operate.

Features and function of hawking.

1). The sells different variety of goods, directly to consumers, in small quantities,
2) Goods are carried from one place to another to enables the sellers get to the final consumers

3). the business is small in size and have lower price
4. it required small capital to start.
5. it provides door to door service to final consumers.
6. They is no cost of advertisement, a s advertising is carry out by the use of word of mouth, horn, bells, trumpet local speakers to attract customers.
7. it does not required payment of rent
8, consumer able goods are normal sold. '
9, it helps to create employment opportunities to the people
10, the business flexible in operation.

Disadvantage of hawking.

1. Hawkers may be exposed to danger of road accidents
2. It disturbs free flow of traffic on our road,
3. Traders does not cary heavy goods
4. Consumers may be cheated, as most hawkers sell fake or adulterated goods
5. Hawking contributes to environmental pollution in the cities, such wrapping papers and other wastes are thrown carelessly on the ground.
6. Young hawkers can get bad influence as they interact with social miscreant like area boys

Assignment.

a) Explain any five Factors to Be Considered in Setting up Retail Trade.
b) Who a retailer , state any three function of a retailer,

WEEK 8. SMALL SCALE RETAILING.

MOBILE SHOP. It is type of shop where goods are arranged in a motor van and moved from one place to another to reach the final consumers , a wide variety of goods are sold through the mobile shops,

Features /characteristic of mobile shop

1. Use special van, which carries the vendor and their goods from one place to another.
2. Normal play music to attract customers.
3, Goods are display to enable customers to choose
4. They can be reached by different customers
5, Its Operation can be limited or effected by weather conditions like rain, etc.

Advantage

a) It stocks wide variety of goods which are of popular demand by the customers.
b) He seek for customers anywhere, eg in villages cities,
c) Inability to returns goods easily.
d) It increases sale of the vendor
e) It operates low price.

Disadvantage of mobile shop.

f) Motor van may break down,
g) Irregular supply of goods
h) High cost of maintenances of motor van
i) He is expose to high risk to thieves.

UNIT/TIED SHOP-

MEANING. A Unit Shop (also called a Tied Shop) is a small retail business that operates as a single outlet, usually owned and managed by the manufacturer themselves, it supports owners with finance and equipment for the sale of such products., its Key Features are,

- Operates from one location only
- Owned by an individual or family
- Limited capital and elimination of middlemen.
- Owner often acts as manager and salesperson
- Deals in limited range of goods,

Advantages

- Easy to start and manage
- Close relationship with customers
- Quick decision-making
- Low operating cost
- Rendering of after self service
- Servers as a direct contact with the manufactures
- Helps to increase the profit and sale of the owners,

DISADVANTAGES

- Limited capital and expansion
- High business risk (owner bears all losses)
- Limited buying power
- No specialization of labor

- Limited range of goods are sold,
- High cost of operation,

ves the **local community**

SMALL STORE ; Small store are located in front of residual houses of the retailers . they sell in much more smaller quantity and handle mostly small unit of convenience goods , they are mostly sole proprietors ,

Assignment, 1. Explain A Unit Shop, 2 state any three features of small retail business,

KIOSKs. : A **kiosk** is a **small retail outlet**, **usually a temporary or semi-permanent structure**, where a **limited range of goods** is sold directly to customers, often along **roadsides, markets, schools, or busy public places**.it could also **refers to** a small retail shop, often made of wood or metal, used for selling a few goods to the public.

WEEK 9.

LARGE SCALE RETAIL: A **Large-scale retail** refers to **retail businesses that operate on a large size**, with **huge capital, many branches, many employees, and large volume of sales**. It also involves the **buying of goods in bulk from producers or wholesalers and selling them in large quantities to consumers**, usually through **many outlets**.

Types of Large-Scale Retail Trade

1. Supermarket
2. Departmental store

3. Hyper market
4. Multiple (chain) shops
5. Mail-order retailing

SUPERMARKET

A supermarket is a large-scale retail shop where food items and household goods are sold mainly on a self-service basis, with goods arranged on open shelves, and customers pay at checkout counters.it could also refers to a large-scale retail outlet that sells mainly food and household goods through a self-service system at relatively low prices.it uses price tags and stock wide verity of goods

<u>A DEPARTMENTAL STORE: </u>A departmental store is a large-scale retail outlet where a wide variety of goods are sold under one roof, with each group of goods arranged and managed in separate departments. It t sells different types of goods in separate departments under one roof.

<u>features of a Departmental Store</u>

- Very large building
- Goods grouped into separate departments (clothing, food, electronics, etc.)
- Each department has its own manager
- Central management and accounting system
- Uses self-service and counter service
- Large capital investment
- Located in busy urban areas

<u>ADVANTAGES OF A DEPARTMENTAL STORE</u>

- One-stop shopping convenience
- Wide variety of goods
- Specialization of labor and management
- Economies of scale
- Attracts many customers

- Better customer services

Disadvantages of a Departmental Store

- Requires huge capital to set up
- High operating and maintenance cost
- Complex management structure
- Slow decision-making
- High risk if sales are low

3. MULTIPLE / CHAIN STORE ; A multiple store (chain store) is a large-scale retail business that operates many branches in different locations, all owned and controlled by one central organization selling the same type of goods under one central management.

Features of a Multiple / Chain Store

- Many branches/outlets
- Centralized control and management
- Sells similar or identical goods in all branches
- Standardized prices and layout
- Bulk purchasing from manufacturers
- Strong brand identity
- Uses modern technology

Assignment,. write short note on three of the following.

Supermarket
Departmental store
Hyper market
Multiple (chain) shops
Mail-order retailing

WEEK 10 MODERN TREND IN RETAILING;

Branding –meaning,

Branding refers to the process of creating a unique name, design, symbol, or combination of these elements that identifies and distinguishes a retailer or product from others in the market. It aims to build a strong, recognizable identity that influences consumer perceptions and loyalty

Advantages

1. Recognition and Loyalty: Strong brands are easily recognized and foster customer loyalty.

Competitive Edge:

2, Helps retailers stand out in a crowded marketplace.

4. It helps in Premium Pricing: as Well-established brands can command higher prices.
5. Its build Customer Trust: ie to Builds credibility and trust among consumers.
6. Marketing Leverage: Facilitates promotional activities and advertising.

disadvantages.

1 .High Costs: Developing and maintaining a brand can be expensive.

2. Brand Damage: Negative publicity can harm the brand's reputation.

3 Brand Imitation: Competitors may imitate branding strategies.

4 It lead to Changing Consumer Preferences: Brands may become outdated if not updated.

SELF-SERVICES:

meaning, ; Self-services refer to retailing where customers perform certain functions themselves, such as selecting, packaging, or paying for goods without direct assistance from staff. Examples include supermarkets, ATMs, and online shopping.

Advantages:

1. Cost Reduction: Reduces staffing costs.

2. Customer Convenience: Offers flexibility and speed in shopping.

3. its Increased Sales, as Customers can browse and purchase at their own pace.

4 it brings Efficiency, as its Streamlines operations and reduces congestion.

Disadvantages

1, it only provides Limited Assistance, Customers may require help, and lack of staff can hinder service.

2. it depend on Technical Issues, as its dependence on technology can lead to breakdowns.

3. its crates Customer Frustrates as May cause dissatisfaction among less tech-savvy customers.
4. its prone to Security Concerns, Risks of theft or fraud.

After-Sale Services

After-sale services are activities provided by retailers after a customer has purchased a product, aimed at ensuring customer satisfaction, maintaining product quality, and fostering loyalty.

Advantages:

1, brings Customer Satisfaction ie enhances customer experience.
2. Repeat Business growth, Encourages future purchases.
3. Its promotes brand Loyalty, its Builds trust and long-term relationships.
4. Feedback is enhances as it Provides insights for product improvements.

Disadvantages:

1. Costly, it can incur additional expenses for the retailer.
2, its Resource Intensive, as is requires dedicated staff and infrastructure.
3. Potential for Abuse as most Customers may misuse services provides
4, It Time-Consuming and Can delay overall sales processes.

Necessary Documents Used in Home Trade

Home trade involves the buying and selling of goods within the same country. The key documents include:

Invoice: it refers to a bill issued by the seller to the buyer, detailing goods sold and payment terms.

Receipt: its a proof of payment received from the buyer.

Delivery Note: its shows or Indicates goods dispatched to the buyer.

Order Form: The buyer's request for goods.

Consignment Note: Details of goods sent from seller to buyer.

Assignment.

1, Explain Branding,

B, distinguished between Self-services and after sale service, WEEK. 12, <u>MODERN TREND; VENDING MACHINES</u>

<u>Meaning:</u> Vending machines are automated machines that dispense products such as snacks, beverages, or other items when customers insert money or use electronic payment methods.

<u>Advantages:</u>

1, Convenience always Available 24/7 for quick purchases.

2.it is Cost-Effective as it reduces need for staff or employment of any staff

3. it provides High Accessibility and Can be placed in various locations.

4. it is very fast/Speed as it Facilitates instant transactions at a spot.

<u>Disadvantages:</u>

1).Limited Product Range as usually offers limited choices.

2) It required high Maintenance Costs and requires regular servicing.

3. its may be leads to technical Failures as Malfunctions can disrupt service.

4. it is prone to theft and Vandalism and stand the Risks of damage or theft.

<u>Reasons Why Retail Trade is Important</u>

1.Bridges Producers and Consumers as it Provides a link between manufacturers and end-users.

2. Creates Employment, many Retail businesses employ a large number of people and create jobs for themselves,

3. its Facilitates Distribution as it ensures goods are available in various locations.

4 Encourages Competition, it Promotes efficiency and better services.

5 it Supports Economic Growth as retails business Contributes significantly to GDP.

6, Provides Consumer Convenience as its Offers a variety of products in ac

<u>Assignment,</u>

a). Advances reason Why Retail Trade is failed in Nigeria,

b. explain Vending machines

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