**COMMERCE SS 1**

**FIRST TERM**

**SCHEME OF WORK**

**WEEK TOPIC**

1 Meaning, Scope and Functions of Commerce.

2 Occupation

3 Production

4 Division of Labour, Specialization and Exchange

5 Retail Trade

6 Small Scale Retailing

7 Large Scale Retailing

8 Modern Trends in Retailing

9 Wholesale Trade

10 Warehousing

11 Revision

12 Examination

**WEEK ONE**

**TOPIC: MEANING, SCOPE AND FUNCTIONS OF COMMERCE**

**CONTENT**

* The Importance of Commerce
* History of Commerce in Nigeria /West Africa
* Divisions of Commerce

**DEFINITION OF COMMERCE**

Commerce is the comprehensive study of how goods and services are produced, distributed, and exchanged to fulfill human needs, all with the primary aim of making a living. This field encompasses a broad spectrum of activities geared towards the economic well-being of individuals and societies.

The Significance (Functions) of Commerce

1. Employment Opportunities: Commerce serves as a pivotal source of employment, generating jobs for individuals and contributing to overall economic growth.

2. Facilitates Production and Exchange: It fosters the production and exchange of goods and services, enabling the availability of essential products in the market.

3. Enhances Living Standards: By making modern goods readily accessible, commerce plays a vital role in improving people's quality of life.

4. Encourages National and International Cooperation: Through the interdependence of nations, commerce promotes both local and global cooperation.

5. Fosters Division of Labor and Specialization: It encourages the division of labor and specialization, leading to increased efficiency in the production and distribution of goods.

6. Drives Technological Innovation and Infrastructure Development: Commerce acts as a catalyst for technological advancements and contributes to the growth of infrastructure.

Historical Evolution of Commerce

Commerce has undergone several distinct phases in its historical development:

1. Earliest Time: Production was largely subsistence-based.

2. Barter System: People exchanged goods and services directly in a barter system.

3. Use of Commodity Money: As societies advanced, they adopted commodity money for trade.

4. Introduction of Notes and Coins: Money, in the form of notes and coins, became the primary medium of exchange.

5. Enhanced Trade Aids: Advancements in trade aids, including insurance, advertising, transportation, and warehousing, have continued to shape the evolution of commerce.

Assessment

1. What does the term 'Commerce' entail?

2. Highlight four functions of Commerce.

Factors that Hindered Commerce Development in Nigeria/West Africa

1. Political Instability

2. Low Savings

3. Lack of Developed Markets

4. Poor Communication Infrastructure

5. Illiteracy

6. Inadequate Capital

7. Low Technological Advancement

8. Inadequate Infrastructure Facilities

Factors Contributing to Commerce Growth in Nigeria/West Africa

1. Modern Production Techniques

2. Political Stability

3. Development of Financial Institutions

4. Efficient Transportation and Communication Systems

5. Availability of Warehousing Facilities

6. Advancements in Trade Aids (e.g., Insurance, Advertising)

7. Higher Levels of Education and Literacy

Commerce Divisions

Commerce can be broadly categorized into two main divisions:

1. Trade: Involves the actual buying and selling of goods and services.

2. Aids to Trade: Comprises various support systems that facilitate trade, including transport, insurance, banking and finance, advertising, warehousing, communication, and tourism.

Evaluation

1. Why is Commerce indispensable to modern society?

2. Elaborate on the primary divisions of Commerce and discuss the relative significance of each division.

**WEEKEND ASSIGNMENT**

1. The main divisions of commerce are (a) Home trade and foreign trade (b) Transportation and warehousing (c) Trade and aids to trade (d) Wholesale and Retail trade

2. Which of the following is not a benefit of commerce? It (a) Facilitates the movement of goods and services (b) Provides employment to people (c) Increases the cost of living (d) Makes funds available for business activities

3. All are aids to trade except (a) Advertising (b) Transportation (c) Retailing

(d) Banking

4. Which of the following can be defined as trade and aid to trade? (a) Advertising (b) Commerce (c) Warehousing (d) Retailing

5. Which of the following is not a basic want of man? (a) Transport (b) Food (c) Water (d) Clothing

**THEORY**

1. State three ancillary services to trade .

2. Mention three ways by which transport aids trade.

**GENERAL EVALUATION**

1. What is Commerce?
2. State and explain the importance of any five ancillary services to trade.
3. Give any five advantages of advertising.
4. State five ways in which warehousing is useful to businessmen.
5. In what ways does transport aid trade.

**WEEK TWO**

**TOPIC: OCCUPATION**

**CONTENT**

* Classification of Occupations
* Factors influencing Occupations

**DEFINITION OF OCCUPATION**

Occupations: The Many Paths to Earning a Living

Occupation is a broad concept encompassing all legal activities through which individuals engage in order to earn a livelihood.

Classification of Occupations

Occupations are typically categorized into six major divisions:

1. Extractive Occupations: These occupations involve the extraction of natural resources from the Earth, including activities such as farming, fishing, hunting, lumbering, mining, and quarrying.

2. Manufacturing Occupations: Workers in this category are engaged in transforming raw materials, often obtained through extractive occupations, into finished or semi-finished products. Examples include converting raw rubber into vehicle tires or raw cotton into textile materials.

3. Constructive Occupations: This group assembles various components from both extractive and manufacturing industries to create organized, usable structures. Building projects, involving iron rods, cement, planks, sand, and corrugated iron sheets, fall under this category.

4. Commercial Occupations: Known as secondary occupations, these roles focus on ensuring that goods and services produced are readily available to those who require them. Activities within this division include insurance, transportation, advertising, warehousing, communication, banking and finance.

5. Direct Services: This division includes economic activities that provide personal services, satisfaction, amusement, and entertainment directly to individuals. Examples range from barbers and musicians to doctors, stewards, drivers, and actors.

6. Indirect Services: These occupations involve individuals who render services to the public and are compensated by the government for their work. Civil servants, policemen, soldiers, customs officers, and fire service personnel are examples of this category.

Factors Influencing Occupations

Various factors play a pivotal role in determining one's occupation:

(i) Education and Training

(ii) Natural Skills and Talents

(iii) Remuneration

(iv) Government Policy

(v) Personal Interests

(vi) Nature of Available Jobs

(vii) Age

(viii) Gender

(ix) Cultural and Family Background

(x) Geographical Features

(xi) Natural Resource Endowments

(xii) Extraneous Factors, including health, life ambitions, and peer pressure.

Evaluation

1. Create a diagram illustrating the six classifications of occupations.

2. Distinguish between Direct Services and Indirect Services.

**WEEKEND ASSIGNMENT**

1. Which of the following is concerned with changing raw materials to finished goods? (a) Extractive occupation (b) Manufacturing occupation (c) Constructive occupation (d) Commercial occupation

2. Which of the following is not a function of commerce? (a) advertising goods (b) creation of goods (c) increasing profit made (d) distribution of goods.

3. An industry whose major actors consist of those engaged in sourcing raw materials from the earth surface is known as \_\_\_\_\_\_\_\_\_\_ industry (a) commercial (b) construction (c) extractive (d) mining.

4. The services offered by the following people could be grouped under direct services except (a) Doctors (b) entertainers (c) policemen (d) teachers.

5. The services of a teacher is in the classification of (a) commerce (b) direct services (c) extractive occupation (d) indirect services.

**THEORY**

1. List any four factors that affect employment.

2. Give four examples of commercial occupations.

**GENERAL EVALUATION**

1. State three ways in which businesses contribute to the development of the nation.
2. Explain with the aid of a diagram, the main divisions of Commerce.
3. List five importance of Commerce to the economy of Nigeria.
4. State five aids to trade and explain how each facilitates trade.
5. Describe five ways by which commercial banks facilitates trading activities.

**WEEK THREE**

**TOPIC: PRODUCTION**

**CONTENT**

* **TYPES OF GOODS**
* **CLASSIFICATION OF PRODUCTION**
* **FACTORS OF PRODUCTION**
* **THE PROCESS OF PRODUCTION**

**DEFINITION OF PRODUCTION**

Production is the vital process of transforming raw materials into finished goods and distributing them to provide goods and services that fulfill human needs. It's also synonymous with creating utility, which measures the capacity of a commodity or service to satisfy human wants.

Types of Goods

Goods can be categorized into two primary types:

1. Capital Goods (Producer Goods): These items are utilized in the further production of goods and services. Examples include raw materials, machinery, and trucks.

2. Consumer Goods: These goods and services are ready for direct consumption by the end consumer. Think of products like bread, milk, or services like teaching.

Classification of Production

Production takes on several forms, each playing a vital role in the creation of goods and services:

1. Primary Production: This phase involves extracting raw materials from nature, such as mining, farming, and fishing.

2. Secondary Production: Here, raw materials are converted into finished or semi-finished products, including the manufacturing of cars, fans, clothing, and chemicals.

3. Tertiary Production: In this stage, the products generated in the previous two stages are delivered to those in need. Activities like transportation, communication, insurance, and banking help bridge the gap between producers and consumers.

Evaluation

1. Distinguish between producer goods and consumer goods.

2. Explain the relationship and interplay between the various stages of production.

Factors of Production

Factors of production are the critical resources combined to enable the production process. These factors include:

1. Land: Natural resources provided freely by nature, encompassing soil, sunshine, rain, minerals, forests, and fishing grounds. The reward for land as a factor of production is rent.

2. Labour: The physical and mental efforts of individuals directed towards the production process. Labour can be unskilled, semi-skilled, or skilled, and the reward for labour is wages.

3. Capital: The resources or wealth created by humans and used for generating further wealth, such as machinery, vehicles, and cash.

4. Entrepreneurship: This factor organizes or coordinates other production factors for more productive purposes. Entrepreneurship also involves risk-bearing, decision-making, capital provision, business initiation, and research organization. The reward for entrepreneurship is profit.

Functions of the Entrepreneur

1. Risk Bearing

2. Decision Making

3. Coordination of Production Factors

4. Capital Provision

5. Business Initiation

6. Organization of Research

The Process of Production

The production process encompasses a sequence of activities and stages required to create goods and services, ultimately reaching the final consumer. Production is considered complete when the goods and services produced are delivered to the end user. The production process includes stages involving parties contributing to production and trade, such as transportation and warehousing.

Evaluation

1. List five characteristics of land as a factor of production.

2. Enumerate six functions of the entrepreneur.

**WEEKEND ASSIGNMENT**

1. The reward for labour as a factors of production is (a) interest (b) profit (c) rent (d) wages

2. The factors of production that combines other factors and bears the risk in the production process is (a) Capital (b) Entrepreneur (c) Land (d) Labour

3. Goods are given utility by (a) Changing their forms and location (b) Consuming them (c) Costing their value (d) Packing and measuring them

4. What is NOT the function of an entrepreneur (a) Bearing risks (b) Deciding on tax to pay (c) Deciding on what to produce (d) Organizing other factors

5. The reward for capital as a factor of production is (a) Dividend (b) Rent (c) Profit (d) Interest.

**THEORY**

1. Define Production.

2. List four factors of production.

**GENERAL EVALUATION**

1. What is production?
2. Explain the different activities involved in industrial, commercial and service occupations.
3. State five factors that have contributed to the growth of Commerce
4. Illustrate with a well labeled diagram the main divisions and subdivisions of production
5. Explain five reasons why communication is important in Commerce

**WEEK FOUR**

**TOPIC: DIVISION OF LABOUR, SPECIALIZATION AND EXCHANGE**

**CONTENT**

* Definition of terms
* Advantages and disadvantages of Division of Labour/ Specialization
* Limitation of Division of Labour

Division of Labour is the breaking down of production processes into different stages so that each stage is undertaken or handled by an individual. For example, division of labour occurs in a textile factory where separate processes like spinning, weaving and dyeing are undertaken by separate workers in each case.

Specialization is the process whereby an individual, a firm or a country concentrates or limits its productive efforts on particular areas of production in which it has the greatest advantage over others.

The principal aim of both division of Labour and specialization is to increase output at a lower cost of production.

**ADVANTAGES OF DIVISION OF LABOUR/ SPECIALIZATION**

(1) Greater skill and dexterity of workers

(2) Increased total output

(3) It saves time.

(4) Less fatigue

(5) It makes possible the use of machines.

(6) Reduction in the cost of production i.e. per unit cost

(7) It enhances the development of technology.

**EVALUATION**

1. Divine the term Division of Labour

2. State five advantages of Division of Labour.

**DISADVANTAGES OF DIVISION OF LABOUR/SPECIALIZATION**

1. It makes work monotonous .

2. The use of machines reduces employment opportunities .

3. It brings about labour immobility .

4. Decline of craftsmanship .

5. Danger of increased inter-dependence among individuals, industries or countries.

**LIMITATIONS OF DIVISION OF LABOUR**

1) The size or extent of the market i.e. the extent of demand for the particular commodity

2.) The availability of Labour

3) The nature of the product being produced

4) The availability of capital i.e. to pay the various workers involved, buy raw materials, machines e.t.c

5) Government policy

**EXCHANGE**

Division of Labour and specialization create a situation where people have to depend on others to get the goods and services they do not produce.

This inter-dependence gives rise to exchange between individuals, firm or countries.

**EVALUATION**

1. Define Specialization.

2. Explain the difference between Division of Labour and Specialization

3. State three limitations of Division of Labour

**WEEKEND ASSIGNMENT**

1. Who among the following engages in manufacturing occupation? (a) Bricklayer (b) Carpenter (c) Miner (d) Spinner

2. The factor of production that has a relatively fixed supply is (a) Capital

(b) Entrepreneurship (c) Land (d) Labour

3. Which of the following activities involves the extraction of raw materials?

(a) Baking (b) Building (c) Dressmaking (d) Fishing

4. At what time is production said to be complete? When the product (a) is made (b) is in the warehouse (c) is in the market (d) Gets to the consumer

5. Any human effort which leads to the satisfaction of wants is (a) Consumption (b) Organization (c) Production (d) Specialization.

**THEORY**

1. State four disadvantages of Specialization

2. List three Limitations of division of Labour.

**GENERAL EVALUATION**

1. State the difference between industry and commerce.
2. Mention and explain five types of commercial occupations.
3. With the aid of a diagram, illustrate the scope of commerce.
4. List seven factors that delayed the development of commerce in Nigeria.
5. State seven characteristics of land as a factor of production.

**WEEK FIVE**

**TOPIC: RETAIL TRADE**

**CONTENT**

* Definition of Terms
* Characteristics of the Retailer
* Functions of the Retailer
* Factors to be considered while setting up a retail business
* Factors a retailer should take into consideration when making his purchases
* Reasons why retail business may fail

**TRADE**

Trade (Trading) is the buying and selling of goods and services. It is divided into Home Trade and Foreign Trade.

Trade

Home Trade Foreign Trade

Retail Trade Wholesaler Trade

Import Export Entrepot

Home Trade involves the exchange (i.e. buying and selling) of goods and services within a country and sub-divided into wholesale trade and retail trade.

**RETAIL TRADE**

Retail trade involves buying in small quantities from the wholesaler or the manufacturer and selling in units (bits or fractions) to the final consumers.

**CHARACTERISTICS OF THE RETAILER/RETAIL TRADE**

1) The retailer sells in units or fractions.

2) The retailer stocks and sells a wide variety (range) of goods.

3) They sell directly to the ultimate consumers.

4) They buy in small quantities from the wholesaler or manufacturer.

5) The wares consists of fast selling products, mainly consumer goods.

6) A large number of small shops are involved.

7) They are the final link in the distribution chain.

8) Majority of the goods they deal in are obtained from the wholesaler.

**FUNCTIONS OF THE RETAILER**

**A To the manufacturer:**

(ii) He sells the goods produced by the manufacturer to the final consumer.

(ii) He helps in informing the manufacturer about the likes and dislikes of the consumers either directly or through the wholesalers.

(iii) He gives advice to the manufacturer.

**B To the Wholesaler:**

(i) He provides information about consumer needs and changes in market trends to the wholesaler

(ii) He gives advice to the wholesaler

**C To the Consumer:**

(i) Provision of a variety of goods

(ii) Granting of credit to credit –worthy customers

(iii) Provision of useful information and advice

(iv) Breaking the bulk i.e. selling in smallest quantities (units) to the consumer

(v) Provision of after – sales services e.g. installation, servicing e.t.c

(vi) Delivery of goods to the consumer‘s door free of charge

(vii) Preparing the goods for sale e.g. packing or re-packing the goods to different sizes to suit the needs of the consumers

(viii) Giving of personal attention to the consumer

(ix) Guiding the consumer in making their choices

(x) Completing the process of production e.g. branding of goods

(xi) The retailer advertises the goods.

(xii) The retailer ensures door-to-door services i.e. he brings the goods nearer to

the consumer

(xiii) Opening for business and selling at convenient

(xiv) Delivering goods to consumers on request

**EVALUATION**

1 Who is a retailer?

2 Outline six features of a retailer

3 Explain five functions performed by a retailer

**FACTORS TO BE CONSIDERED WHILE SETTING UP A RETAIL BUSINESS**

i) Amount of capital available;

ii) Location (or the site) of the shop;

iii) Experience and knowledge of the retail job;

iv) Layout of the shop i.e. the plan or design of the shop must be attractive;

v) Source of supply of the goods the retailer intends to deal in;

vi) The pricing policy and terms of trade i.e. whether to grant discounts, credits or sell solely for cash;

vii) The type or nature of goods to be sold;

viii) The details of the operating plans e.g. hours of business, opening time, trading days etc;

ix) How records will be kept.

**FACTORS A RETAILER SHOULD TAKE INTO CONSIDERATION WHEN**

**MAKING HIS PURCHASES**

1. Quantity of goods to be bought;

2. The extent of credit facility available to him;

3. Quality of goods must confirm to consumers needs and tastes;

4. The terms of payment i.e. discount given;

5. The cost of transporting the goods;

6. The method of delivery of the goods to him e.g. through road, rail, sea etc;

7. Any additional charges for packing or off-loading the goods;

**REASONS WHY RETAIL BUSINESS MAY FAIL**

(a) Wrong purchases;

(b) Poor recording keeping techniques i.e. inability to keep proper accounting records;

(c) Failure to insure the business;

(d) Extravagance, overspending i.e. spending the business money on personal expenses;

(e) Lack of experience or knowledge of the trade;

(f) Poor credit administration i.e. indiscriminate granting of credit facilities to customers;

(g) Inadequate capital for running the business and for expansion;

(h) Competition from bigger businesses;

(i) Inability to plan properly and forecast the future;

(j) Insensitivity to current market tends.

**EVALUATION**

1. Who is a retailer?

2. What factor would a retailer take into consideration in setting up an ice cream marketing business?

3 With the aid of a diagram show the divisions and sub-divisions of trade

**WEEKEND ASSINGNMENT**

1 Which of the following is a function of a retailer to the consumer (a) Bulk buying (b) Breaking bulk (c) storage (d) production

2 Risks in business are borne by the (a) consumer (b) entrepreneur (c) marketing manager (d) personnel manager

3 Selling goods in small quantities for the benefits of consumers is a function of the (a) retailer (b) Wholesalers (c) manufacturers (d) factors

4 Trade may be defined as (a) Buying and selling of goods (b) Buying and selling of goods and services (c) Selling of goods and services (d) Distribution of goods.

5. Which of the following is not a function of the retailer (a) Advertising

(b) Provision of after-sales services (c) Manufacturing (d) Breaking bulk

**THEORY**

1. State three features of retail trade

2. List three functions of the retailer to the consumer.

**GENERAL EVALUATION**

1. List seven features of retail trade.
2. State eight functions of the retailer
3. Give seven reasons why a retail business would fail
4. List seven factors to be considered before starting a retail business
5. Explain six functions of Commerce in an economy.

**WEEK SIX**

**TOPIC: SMALL SCALE RETAILING**

**CONTENT**

* Itinerant trading
* Other types of small scale retailing
* Reasons for the existence of many small scale retail businesses in Nigeria
* Problems encountered by small scale retailers

There are several types of size of retail outlets which for easy analysis can be grouped into two, namely: Small scale and Large scale retailing

**TYPES OF SMALL SCALE RETAILING**

1. Itinerant Traders: The common feature of itinerant traders is that they move from place to place to sell, thereby making goods handy for customers i.e. goods are brought to the consumer’s doors. Examples of itinerant traders are hawkers, peddlers, gypsies etc

**FEATURES OF HAWKING/ ITINERANT TRADING**

1. Hawking is a form of small scale retail business.

2. It provides door-to door selling.

3. Hawking requires small capital outlay to set up.

4. It involves movement of goods from one place to another on the head by carts, by canoe, wheel barrows etc.

5. Hawkers do not pay rent

6. The goods are advertised to customers through shouting the wares, bell, horn, trumpet or loud speakers

**ADVANTAGES OF HAWKING**

1. It requires small amount of capital for its operation.

2. It provides door-to-door selling.

3. It is easy to start.

4. Hawking is a form of advertising.

5. Little or no running expenses is incurred by its operators i.e. no rent, wages etc is paid.

6. There is flexibility in its operations.

7. The goods are sold at cheap prices to customers.

8. Hawking provide employment opportunities to many who would otherwise have been unemployed.

**DISADVANTAGES OF HAWKING**

1. Hawkers are exposed to the dangers of road mishaps or accidents.

2. Hawking disturbs the flow of traffic i.e. it cause traffic hold-ups in urban cities e.g. Lagos.

3. Hawking deprives some children of their education.

4. Child abuse or child Labour is encouraged by hawking.

5. Hawking contributes to the littering of streets by generating refuse that are dropped on the roads.

6. Food items are exposed to health hazards e.g. dust, germs, unsanitary handling by hawkers.

7. Young hawkers are exposed to bad influence e.g. drugs, armed robbery, crime by social miscreants.

8. Hawking is stressful – hawkers are exposed to bad weather conditions like cold, intense heat e.t.c.

9. Hawking is an important avenue for the sale of fake or sub-standard goods.

10 Government is deprived of revenue as most hawkers do not pay taxes or rates to the local government.

11. Young girls engaged in hawking could be assaulted sexually leading to early pregnancies.

**OTHER TYPES OF SMALL SCALE RETAILING**

2. Street retailing or Roadside Traders.

These are traders who display their wares along the streets, roads or outside the gates of schools, companies or offices in town and cities.

3. Market Traders or Stall Holders

These are traders found in established markets and who operate by arranging or displaying their wares (goods) on tables, sheds or stalls. They are traders who do not operate from fixed shops.

**EVALUATION**

1. State five advantages of hawking.

2. State four disadvantages of small scale retail trade.

3. Explain five ways in which the activities of hawkers constitute a disadvantage to the economy.

**OTHER TYPES OF SMALL SCALE RETAILING**

1. **KIOSKS:** These are retail outlets that offer very limited range of consumer items e.g. cigarettes, sweets, provisions, newspaper and magazines, stationery; phone cards/call services etc. They are usually sited at places where customers frequently pass such as junctions, motor parks etc

2. **Small Store or Single Shops:** These are small stores found in front of residential houses or at shopping complexes. They are conveniently located for customers and are found in both urban and rural areas.

3. **Tied Shops:** These are shops that confine what ever they sell to single commodity which their producers supply direct to them. The shop owners are supported with finance equipment/machinery for the sale of such products by the manufacturer. Tied shops sell single product like ice cream, soft drinks, petroleum products, beer etc.

4. **Mobile shops:** These are motor vans or lorries used as shops with goods well arranged. They build up regular customers and are very convenient for consumers in remote areas. They advertise by music, microphone announcement, public address system, jingles etc.

**REASONS FOR THE EXISTENCE OF MANY SMALL SCALE RETAIL BUSINESSES IN NIGERIA/WEST AFRICA**

1. Lack of sufficient capital that could be used to established large retail business

2. Low savings as a result of low per capital income

3. High rate of unemployment and the difficulty in getting white collar jobs

4. Absence of developed markets

5. Small scale business requires small capital which is within the reach of many people.

6. Small scale retailing is attractive as it involves low running expenses.

7. There is flexibility in its operations: The owner can combine it with other forms of occupation and it can easily be adapted to changing conditions where necessary.

**PROBLEMS ENCOUNTERED BY SMALL SCALE RETAILERS**

1. Competition from big businesses e.g. price competition

2. Insufficient capital for investment and expansion of business

3. Inability to secure an ideal location because of congestion especially in urban areas

4. Bad debts i.e. inability of the business to collect debts from its debtors.

5. Unlimited liability – Small scale businesses are usually in the form of sole proprietorship or partnership.

6. Disturbance from government agencies like urban planning, revenue officials, environmental protection agencies e.t.c

**EVALUATION**

1. Differentiate between a kiosk and a tied shop

2. What is the similarity between a mobile shop and hawking?

3. Why are there many small scale retail traders in Nigeria?

**WEEKEND ASSIGMENT**

1. Peddling and hawking are examples of (a) large scale retailing (b) small scale retailing (c) medium scale retailing (d) small scale wholesaling

2. The term ‘enterprises’ denotes the ability to (a) bear risk (b) control other factors of production (c) maximize profit (d) organize other factors of production

3. Buying and selling of goods and services within the geographical area of a country is called \_\_\_\_\_\_\_\_ trade (a) entrepot (b) external (c) domestic (d) import

4. Which of the following is an example of itinerant trading? (a) mobile shop (b) mail order business (c) stall holding (d) selling from kiosk

5. Which of the following is not a retail outlet? (a) mobile shop (b) tied shop (c) discount house (d) kiosk

**THEORY**

1a. Who are itinerant traders?

b. State four features of hawking.

2. State three reasons for the survival of small scale retailers in Nigeria

**GENERAL EVALUATION**

1. Explain five activities involved in Commerce
2. State three uses of capital as a factor of production
3. State four uses of land as a factor of production
4. List six functions of an entrepreneur
5. Explain five advantages of small scale retailing

**WEEK SEVEN**

**TOPIC: LARGE SCALE RETAILING**

**TYPES OF LARGE SCALE RETAILING**

**A MULTIPLE SHOPS OR CHAIN STORES:**

These are large scale retail businesses consisting of a number of similar shops or branches spread or located in different towns/ cities all over a country. They sell the same type of goods and all the shops are controlled from the head office e.g. Lennards, Challenge Bookshop, Famad etc

**FEATURES OR CHARACTERISTICS OF MULTIPLE SHOPS**

1. Standard or identical shop design.

2. Dealing in one line of product in their branches.

3. They have centralized form of administration and ownership.

4. They operate on the basis of cash and carry.

5. Prices of goods sold in all branches are fixed by the head office.

6. They practice self-service.

**ADVANTAGES OF MULTIPLE SHOPS**

1. They are easy to identify.

2. Staff can be moved between branches.

3. Their cash and carry system reduces the incidence of bad debts.

4. They save a lot of cost in advertising.

5. Unsold stock in one branch can be moved to other branches.

**DISADVANTAGES OF MULTIPLE SHOPS**

1. They deal in limited range of products.

2. The cost of setting up multiple shops all over the country is very large.

3. They do not offer credit facilities to customers.

4. No personal attention is given to customers.

5. Less control is exercised by branch managers.

**B DEPARTMENTAL STORES**

This is a large single retail outlet selling a wide variety of goods in separate departments. Each department specializes in a particular line of goods different from those of other departments.

A departmental store is often referred to as many shops under one roof and common management e.g. UTC Stores, Cash and Carry, UAC Stores etc.

**FEATURES OF DEPARTMENTAL STORES**

1. They are divided into different departments.

2. Buying and selling is decentralized.

3. They deal in a wide range of goods.

4. They practice self-service

5. They are located in the centre of cities and urban areas.

**ADVANTAGES OF DEPARTMENTAL STORES**

1. They stock a wide variety of goods.

2. They are easily located by customers.

3. There is self service and orderliness.

4. Impulse buying is possible as shoppers move from one department to another.

5. Goods in one section help to advertise goods in other sections.

**DISADVANTAGES OF DEPARTMENTAL STORES**

1. Lack of personal attention for customers.

2. High running expenses/overhead costs.

3. Pilfering and shoplifting (i.e. stealing of goods) is rampant.

4. It requires large capital to set up.

5. They do not allow customers to return goods.

6. They give little or no credit to customers.

**EVALUATION**

1. Describe any four features of a multiple shop

2. With the aid of a diagram, illustrate six branches of trade and show six types of retail outlets

3. List three disadvantages of departmental stores to (a) The customers (b) The owners

**TYPES OF LARGE RETAILING**

**C SUPERMARKET**

This is a large scale retailing shop offering for sale, principally by self service, house hold goods like groceries, provisions, tinned foods, frozen food, vegetables, fresh fruits etc.

**FEATURES OF SUPERMARKET**

1. They operate the system of self service.

2. They deal in a wide range of goods

3. They are located in urban centers e.g. Lagos.

4. They stock household goods and food items

5. They operate with few sales attendants

**THE ADVANTAGES AND DISADVANTAGES OF SUPERMARKETS ARE SIMILAR TO THOSE DEPARTMENTAL STORES.**

**D HYPERMARKETS**

These are extra large or giant supermarkets that deal in greater variety of goods. They are usually located at the outskirt of town and cities. Unlike supermarkets, hypermarkets also deal in consumer durables and they offer car parking facilities for customers

**E MAIL ORDER BUSINESS**

This is a form of large scale retailing in which buying and selling is carried out through the Post Office or through agents.

The Mail Order firms contact prospective customers by mail, receive their orders by mail and make delivery of goods to customers also by mail. It involves the use of specially prepared catalogues that presents the retailer’s products both visually and in writing.

**FEATURES OF MAIL ORDER BUSINESS**

1) Retailing is done through the Post Office or through agents.

2) Intensive advertising through catalogues, newspapers is involved.

3) They deal in a wide range of durable goods.

4) It requires a large warehouse for storing goods.

5) It requires few workers for its operations.

**ADVANTAGES OF MAIL ORDER BUSINESS**

1. The business pays low rent as it can operate a warehouse located out of town.

2. It requires few salesmen or sales assistants.

3. Expensive fixtures and displays are not needed.

4. They provide a variety of goods.

5. There is opportunity for advertising through catalogues.

**DISADVANTAGES OF MAIL ORDER BUSINESS**

1. It is completely dependent on the efficiency of the postal system.

2. Customers are not able to assess the quality of goods before buying them.

3. Lack of personal contact with customers

4. High advertising costs e.g. cost of printing a catalogue

5. There is possibility of goods being lost or damaged in transit.

**F. RETAIL CO-OPERATIVE SOCIETY**

This is a form of co-operative in which many small independent retailers pool their resources together to enable bulk purchases and then sell the goods at lower prices. The profits are shared in proportion to the amount of purchase made by each member.

**G. VARIETY CHAIN STORES**

These are large retail stores which combine some aspects of both departmental stores and multiples shops. No notable example can easily be found in Nigeria.

Features of Variety Chain Stores

1. Many branches all over the country

2. Uniform shop design

3. They deal in variety of goods 4. Stores are under one roof but without clear divisions into departments 5. Centralized management as in multiple shops

**EVALUATION**

1. List four disadvantages of Mail Order Business

2. State five factors accounting for the growth of large scale retailing in Nigeria

**WEEKEND ASSIGNMENT**

1. A multiple shop has many stores which sell (a) locally produced goods

(b) manufactured goods (c) perishable goods (d) similar goods

2. Buyers often find mobile shops unsuitable because (a) The choice of goods is limited (b) They operates at odd hours (c) They sell only perishable goods (d) They are operated by sole traders

3. Which of the following offers self-service (a) hawking (b) peddling (c) mobile shop (d) departmental store?

4. Many stores under one roof is called (a) co-operative stores (b) departmental stores (c) multiple stores (d) supermarkets.

5. A large retail organization with a number of sections selling different goods in the same building is called (a) chain store (b) multiple shop (c) self-service shop (d) departmental store

**THEORY**

1. List three types of large scale retail outlets.

2. State three advantages of multiple shops to the customers.

**GENERAL EVALUATION**

1. Explain five advantages of large scale retailing
2. State five characteristics of departmental stores
3. List five disadvantages of hawking as a form of retailing
4. State five services provided by a retailer to his customers
5. List five factors that should be considered in starting a retail business

**WEEK EIGHT**

**TOPIC: MODERN TRENDS IN RETAILING**

**CONTENT**

1. Self –Service

2. Branding

3.After sales services

4. Vending machines/Automatic Vending

**NOTES**

Self-service: This is a method that allows customers to do their shopping in a shop with little or no assistance from sales attendants. The goods are conspicuously displayed and arranged on the shelves of shops with price tags. The customers goes about in the shop, examines the good displayed, compares them, tries them on, where necessary, select those of his choice and gathers them in a basket or tray made available in the shop, The customer finally approaches the check out counter where he pays for the goods bought to the cashier, This arrangement saves time because it avoid bargaining . Self –Service is associated with large scale retailer who have enough space and the necessary equipment e.g. supermarket, departmental stores, hyper markets etc

**FEATURES OR CHARACTERISTICS OF SELF-SERVICE**

1. Few shop attendants are required
2. Goods are displayed with price tags
3. use of trolleys and baskets is common
4. Customers move around to select their choice of goods
5. Large space is required
6. Security men or close – circuit cameras are employed to fore-stall pilfering
7. Goods are paid for at the check out counter
8. Goods are pre-packed and neatly labeled.

**ADVANTAGES OF SELF SERVICE**

1. Customers have freedom to select their choice of goods
2. Purchasing is quick and fast
3. Labour cost is reduced as there is no need to employ many sales attendants
4. It encourages impulse buying which increases sales
5. The spacious environment enhances the convenience of customers
6. The benefits of loss- leaders to both sellers and buyers can be maximized.

**DISADVANTAGES OF SELF SERVICE**

1. Shop-lifting or pilfering is rampant
2. More rapid deterioration of goods due to constant handling by customers
3. High cost of checking shop lifting or pilfering e.g cost of close circuit camera, store detectives can increase cost of operation.
4. Expensive facilities are needed e.g. larger floor space, trolley, baskets
5. Less personal attention is given to customers
6. It is not suitable for all types of goods
7. Self-service reduces employment opportunities for shop/store assistants
8. prices are not negotiable
9. Goods selected and paid for are not returnable
10. Setting it up is capital intensive .

**BRANDING**

This is a general term covering names, design, marks, symbols or description which may be used by a producer to distinguish his goods from that of other organization. Branded goods are therefore, goods sold under a refrigerated trade mark or trade name to distinguish one manufacture products from similar products of other manufacturers. Examples of brand or trade names are Elephant, Omo, Ariel for detergents: Pepsodent, Close up, Colgate, MacLean for toothpaste etc.

**ADVANTAGES OF BRANDING**

1. It ensures high quality goods
2. It saves cost of advertising
3. Consumer can select without any problem
4. Goods are standardized i.e. uniformly packed
5. It prevents product adulteration and imitation
6. branding aids inspection and ordering of goods by appropriate description
7. It encourages self-service
8. Recommended prices by the manufacturers can be shown in advertisement so that consumers are not cheated by retailers.

**DISADVANTAGES OF BRANDING**

1. Highly advertising cost
2. Branding can create impulsive buying on the part of the customers
3. Necessity to stock many brands of the products if the retailer is to please all his customers
4. Price cutting wars may be unhealthy for smaller firms.

**EVALUATION QUESTION**

1. What is self-service?

2. Give four reasons for the introduction of self-service

3. State five features of self-service

**AFTER SALES SEVICES**

After sales service: these are extra services which retailers render to their customers after purchasing their products in order to ensure constant patronage. The after sales services are usually extended to the buyer of a commodity free of charge. The extra services may be free delivery, free advice as to how the product concerned is used or operated free repairs, free fixing or installation of the article, replacement, maintenance etc. it may also be in form of a guarantee or warranty. It is used mainly for technical goods.

**FACTORS DETERMINING THE LEVEL OF AFTER SALES SERVICES TO BE PROVIDED**

Whether or not after-sales services will be provided, and to what extent will depend on the following factors:

1. Type of goods involved e.g. electrical appliances and drugs require the explanation of how they are to be sued.
2. The cost of the good; Goods that are expensive are necessary backed up with a guarantee
3. The practice of competitors: Where the selling of a particular article is very competitive, free deliveries could be offered to maintain customers.
4. Cost of rendering the after-sales services. If the sellers profit margins is not much affected them after-sales services are offered.
5. Legal requirements – some consumer protection laws require the seller to grant guarantee to the buyer.

**ADVANTAGES OF AFTER-SALES SERVICES**

1. Increased volume of sales
2. Customers enjoy better personal attention from sellers
3. Customers develop greater confidence in article bought when given guarantee
4. The quality of goods is assured.
5. Sellers goodwill and reputation is greatly improved
6. The manufacturer can easily keep his technical details secret
7. It enhances the usefulness of a product

**DISADVANTAGES OF AFTER-SALES SERVICES**

1. Higher price may be charged for the extra services i.e. the cost of such services are often included in the price of the goods.
2. Customers may be wrongly advised
3. Customer’s choice in maintenance is often limited.

**AUTOMATIC VENDING/VENDINGMACHINES**

This involved the sale of goods to customers through coin-operated (or card operated ) machined. The buyer drops the correct amount of coin or inserts a magnetic card into the appropriate slot or hole in the machine and get the product required. The machines are located in areas where large number of people converge e.g offices, schools, sport arena, cinema, churches, etc, the products sold through automatic vending are typically small and branded. E.g. candles, soft drink, ice cream, coffee, and tea, cigarette, snacks, postage, telephone service, automated tellers – that dispenses cash etc.

**ADVANTAGES OF AUTOMATIC VENDING**

1. Available for twenty four hours daily and every day of the week
2. Availability of a wide range of goods
3. The machine saves a lot of time
4. It saves labour cost. It makes little use of human labour and is therefore very useful for sales points where the volume of sales is low
5. Standard price is charged. i,e there is uniformity in price for the same quantity of goods
6. It is good for emergency situation e.g. automatic teller machines
7. Recording after slotting of money or cards makes for accountability
8. It ensures self-service
9. It economizes the use of space
10. Pilfering is avoided.

**DISADVANTAGES OF AUTOMATIC VENDING**

1. Cost of purchasing the machine is high
2. Customers can usually obtain only one items from a machine
3. It may be vulnerable to pilferage
4. It attracts additional maintenance cost.
5. Prices of goods are high as a result of the expensive machine used
6. Limitation to the wroth of goods to be bought where the machine accepts only coin
7. The buyer must hold the actual amount because there is no provision for balance or change
8. It offers-limited range of items
9. Faults in the machine may not be easily detected
10. A lot of money is spent on providing security

**EVALUATION QUESTIONS**

1. Explain the following and give three benefits of each
   1. After sales service
   2. Vending machine

2. Give the examples of after-sales services.

**WEEKEND ASSIGNMENT**

1. Automatic vending machine facilitate

(a) wrapping (b) cash deposit (c) sales of tools (d) self services

1. Which of the following makes sales possible without a sales attendant?

(a) telex machine (b) fax machine (c) vending machine (d) franking machine

1. The practice of offering a commodity for sale at an unprofitable price in order to attract buyer to a shop is known as

(a) auction sales (b) loss leader (c) price ring (d) market segmentation.

1. Which of the following cannot be sold through a vending machine?

(a) ice-cream (b) shoes (c) tea (d) tickets

1. Mail order firms largely depend on the services of the

(a) banks (b) insurance companies (c) mobile van (d) post offices.

**THEORY**

1. State four advantages of automatic vending

2. List two disadvantages of after-sales service

**GENERAL EVALUATION**

1. Give five reasons why retail shops adopt self service
2. Explain six facilities that a retail shop should have to encourage self service
3. Explain five types of large scale retailing
4. State five advantages of after sales services
5. List seven disadvantages of automatic vending

**WEEK NINE**

**TOPIC: WHOLESALE TRADE**

**CONTENT**

1. Functions of the wholesaler
2. Types of wholesaler or middlemen

3. The chain of distribution

4. Factors to be considered in choosing a channel of distribution for a commodity

5. Reasons why middlemen are sometimes omitted from the channel of distribution.

**NOTE**

Wholesale trade (wholesaling) involves the buying of goods in large quantities from the producers or manufacturing and re-selling in small quantities to retailer. A wholesaler is a trader who purchases goods in large quantities from the manufacturing and sell in small quantities to the retailers.

**FUNCTIONS OF THE WHOLESALER**

**A. To the Manufacturer**

1. He gives useful information and advice tot eh manufacturer e.g. in respect of level of demand for goods etc.

2. The wholesaler provides warehouse and storage facilities for storing goods, thereby helping the manufacturer to have enough space for further production.

3. Preparation of commodities for sale: The wholesaler sometimes label, package, blend or brand the goods before he sells them.

4. Advertising and promotion of goods: The wholesaler creates awareness for goods through advertising and sales promotion.

5. The wholesaler finances the manufacturer by paying for goods in advance

6. provision of transport facilities needed for the distribution of the goods.

7. Quantity of bulk buying. The wholesaler buys in larger quantities, this encourages the manufacturer to produce more and thereby reap the advantages of large scale production.

8. The wholesaler bears part of the risks involved in production and distribution of goods e.g. risk of a fall in price change in fashion, deterioration of goods. Etc

9. Quality control: The wholesaler may sometimes verify the quality of the products before distributing it i.e. grading of commodity products e.g. cocoa.

**B. To the Retailer**

1. The wholesaler breaks bulk by selling in small quantities to the retailer
2. The wholesaler finances the retailer by granting him credits
3. The wholesaler sometimes
4. Provision of advice and information e.g. on new goods, market trends
5. Stabilization of prices : By storing goods in his warehouse and thereby regulating supply to the marker, the wholesaler keeps prices fairly stable for retailers
6. he provides the retailer with a variety of goods.

**TYPES OF WHOLESALERS OR MIDDLEMEN**

1. General wholesalers
2. Specialist wholesaler
3. Cash and carry wholesalers
4. Factors (or Mercantile Agents)
5. brokers
6. Jobbers
7. Del Credere Agents (wholesalers )
8. Auctioneerss
9. manufacturer Representative
10. Commission Agents.

**EVALUATION QUESTIONS**

1. Outline five services rendered by the wholesaler to the manufacture

2. State five differences between a wholesaler and a retailer

3. Define the term wholesaling

4. List three functions of the wholesaler to the consumer.

**CHANNEL OF DISTIBUTION**

The channel of distribution describes the path through which goods moves from the products to the consumer.

The channel of distribution for goods could be any of the following:

Producer - Wholesaler - Retailers - Consumers

Producer - Wholesaler – Consumers

Producer - Retailers - Consumers

Producer - Agent - Retailer - Consumers

Producer - Agent - Consumers

**FACTORS TO BE CONSIDERED BEFORE CHOOSING A PARTICULAR CHANNEL OF DISTRIBUTION OF A COMMODITY**

1. The type of nature of the commodity e.g. whether it is a perishable good or durable goods.

2 Geographical consideration e.g the location of customers

3. The existing and potential demand for the commodity i.e the extent of demand for the product.

4. How regular the demand for the product is

5. The number of retail outlests in an area

6. The producers capital, financial position, organizational ability and selling skills

7. The size of customers orders

8. The quantity of goods involved

9. The channel used by competitors

10 The cost implication of the channel being considered

11. The customs of the particular trade e.g. distribution of newspapers

**REASONS WHY MIDDLEMEN (WHOLESALSER/RETAILERS) ARE SOMETIMES OMITTED OR ELIMINATED FROM THE CHANNEL OF DISTRIBUTION**

1. When the producer is dealing with large orders from the customers.

2. When perishable goods are involved, it cannot be passed through a long channel of distribution.

3. Where the goods are of technical nature, and therefore, after-sales e.g. repairs are likely to be involved.

4. Where the producer operates his own retail outlets e.g FAMAD, Len nards

5. Where the consumers has ordered goods to his specification e.s special styles or customized orders.

6. Where the manufacturers operates a mail order business

7. Where the goods involved are durable and have a low turnover ekg, furniture

8. Where the goods involved is expensive and the buyer have to pay in advance before it is manufactured by the producer e.g. ships, aero plane, plants.

9. When new products are being introduced by the producer

10. When the producer wants to maintain fixed prices for his products

11. Where the goods are requested by Co-operative Consumers; Association i.e where consumers have combined their orders.

**WHY WHOLESALE PRICES ARE LOWER THAN RETAIL PRICES**

1. The wholesaler buys in bulk and at reduced prices

2. The wholesaler buys directly from the manufacturer

3. The wholesaler usually pays promptly or even sometimes pay in advance for goods – therefore he buys at a cheaper rate.

4. The wholesaler gets both trade and cash discount.

5. The retailer sells in units.

**EFFECTS OR REASON WHY LARGE NUMBR OF MIDDLEMEN SHOULD NOT BE ENCOURAGED IN THE DISTRIBUTION OF GOODS**

1. They increased the prices of goods
2. They cause artificial scarcity through hoarding of goods
3. They cause price differences in different areas
4. They cause inflation
5. It could encourage the distribution of fake or sub-standard product.

**EVALUATION**

1. Give six reasons fort the existence of the wholesaler in the channel of distribution
2. Why does the wholesaler need more/bigger operating capital than the retailer
3. State two advantages of any two channels of distribution to the producer

**WEEKEND ASSIGNMENT**

1. Which of the following is likely to have the highest rate of stock turnover? (a) bread (b) jewelry (c) machinery (d) furniture

2. The path through which a product moves from its manufacturing point to consumption is known as

(a) medium of exchange (b) chain of production (c) channel of distribution (d) product life cycle.

3. Manufacturers sells directly to consumers when they (a) want to make profit (b) wish to eliminate all transport costs (c) live for away from them (d) deal in perishable goods.

4. Which comes first in the channel of distribution? (a) Consumer (b) manufacturer (c) retailer (d) wholesaler

5. Who among the following assess goods on arrival at a port? (a) agent (b) importer (c) customs (d) ship owner

**Theory**

1. State three channel of distribution of goods
2. State three reasons why wholesale prices are lower than retail prices.

**GENERAL EVALUATION QUESTIONS**

1. State six features of mail order business
2. List and explain six modern trends in retailing
3. Give five factors that determine the choice of a channel of distribution for goods
4. In what four circumstances will it be advantageous to eliminate the wholesaler from the channel of distribution
5. List six factors that have contributed to a decline in the importance of the wholesaler.

**WEEK TEN**

**TOPIC: WAREHOUSING**

**CONTENT**

1. Importance of warehousing
2. types of warehouses
3. Factors to be considered in sitting a warehouse
4. Documents used in warehousing

**NOTE**

Warehousing is the act of storing goods produced or bought in a place until they are needed. Warehousing ensures that there is a regular and steady supply of goods. A warehouse is a place where goods are kept until they are needed.

**IMPORTANCE OF WAREHOUSING**

1. It provides protection and security for goods.
2. It encourages large scale production it ensures production of goods ahead of demand.
3. It helps to stabilize prices of goods by reducing fluctuation of prices due to supply level.
4. It facilitates re-packaging and branding of goods.
5. It ensures constant and steady supply of goods throughout the year.
6. It provides employment opportunities e.g. for warehouse keepers.
7. It is a source of income for the owners e.g. rent received etc.
8. It promotes emancipator purchases.

**TYPES OF WAREHOUSING**

1. Ordinary warehouse: This may be called goods warehouse – i.e where goods are stored by traders and manufacturer until they are needed. It could either be;

a) Wholesaler warehouse

b) Manufacturers warehouse

c) Public warehouse

2. Bonded warehouse: This is a warehouse where goods whose customs duties have not been paid are stored until the duties are settled by the Owners. Bonded warehouse is privately owned by are under the supervision of the Customs Authority. They are usually located near the port (seaport or airport) for storing goods until the duties are paid.

3. State warehouse (Queen’s warehousing or Government warehouse ): This is a warehouse where seized contraband goods (e.g smuggled goods) are kept until they are sold on auction to members of the public.

**EVALUATION**

1. List and explain five types of warehouse

2. Explain five importance of warehousing in commerce.

**USEFULNESS OF BONDED WAREHOSUE IN FOREIGN TRADE**

1. Bonded warehouse provides security (safety) for goods imported from other countries whose duties have not been paid
2. The importer will be allowed adequate time to pay the charged customs duties
3. It facilitates foreign trade
4. The period of bond enables the customs authority to have enough time to inspect the goods and calculate the actual value of import duties.
5. Goods in bonded warehouse can be easily sold by the importer while in bond in which case the buyer will settle the import duty.
6. Production processes like branding, packaging, can be done while the goods are still in bond.

**FACTORS TO BE CONSIDERED IN SITTING A WAREHOUSE**

1. Location of the factory i.e proximity of the warehouse to the factory
2. Nearness to the market
3. Nearness to the distribution centres
4. operating costs (running cost) involved in the operation of the warehouse
5. cost of building or renting the warehouse
6. The mode of transportation to be employed
7. Consumers buying pattern
8. Good road network and availability of other infrastructure e.g telecommunication
9. Regular power supply e.g. for frozen food items
10. Presence of security and safety.

**DOCUMENTS USED IN WAREHOUSING**

1. Dock Warrant: This is the document issued by the warehouse authorities to depositor of goods. It is a document of title transferable by endorsement
2. Delivery Order; this is a document issued by a dock warrant holder to enable a third party collect a specified part of the goods from the warehouse.

**EVALUATION**

1. Write short notes on the following;

(a) Dock Warrant (b) Delivery Order

1. Outline five factors to be considered in sitting a warehouse

**WEEKEND ASSIGNMENT**

1. The receipt issued by a warehouse keeper for goods taken into the store is called

(a) warranty (b) dock warrant (c)customs warrant (d) drawback warrant

2. Warehousing is one of the functions of the (a) wholesaler (b) retailer (c) government (d) ministry of trade and industry.

3. Which of the following warehouses is generally found near a port?............warehouse (a) manufacturer (b) wholesaler (c) bonded (d) distributors

4. Who among the following is a middleman? (a) manufacturer (b) agent (c) insurer (d) consumer

5. An individual who makes the final use of goods and services provided by a firm is the (a) wholesaler (b) retailer (c) consumer (d) manufacturer.

**Theory**

1. What is warehouse?

2. State three ways in which warehousing is important to commerce.

**GENERAL EVALUATION**

* 1. Explain six functions of the wholesaler to manufactures.
  2. State six reasons why a producer may distribute goods directly to consumers.
  3. List five advantages and four disadvantages of branding.
  4. State five importance of warehousing to Commerce.
  5. Give six reasons why manufacturers pre – package their products.