

Chapter - 10 Internal Trade

Question 1

Mention two advantages of a supermarket.

Answer: The two advantages of a supermarket are.

- They have huge varieties of products to choose from with different colours and design.
- Sales are done with an exchange of cash which is not a bad debt.

Question 2

Note down two categories of trade.

Answer: The two categories of trade are.

- Wholesale trade
- Retail trade

Question 3

What do you mean by internal trade?

Answer: Internal refers to the sale and purchase of goods and services within a boundary of a nation.

Question 4

Define shops that deal with a specific line product.

Answer: Specific line product shops refer to the shops that sell only one specific and not different type of items. These types of shop are located in the main market where a large number of customers can be attracted.

Question 5

State two examples of chain stores

Answer: The two examples of chain stores are Body shop and Walmart.

Question 7

Give two features of the supermarket.

Answer: The two features of the supermarket are

- Have different types and various products, food item, and grocery
- All the products are available under one roof.

Question 8

Give two merits of the supermarket.

Answer: The two merits of the supermarket are

- Sales are done with an exchange of cash which is not a bad debt
- Large scale buying and selling, resulting in less operation cost

Question 9

Give two limitations to the supermarket.

Answer: The two limitations of the supermarket are

- Customers do not have pay on credit option
- Supermarkets follow self-service, so customers might not get personal attention

Question 10

State the characteristics of fixed shop retailers.

Answer: The two features of fixed shop retailers are

- Fixed shop retailers have wide resources and operate in large scale
- Manages different products, including both durable and nondurable
- Build trust with the customers

Question 11

Define different types of fixed shop small retailers.

Answer: Different types of fixed shop small retailers are

- **General Stores-** They sell different types of products to satisfy customers day-to-day requirements. They open for a longer time and attract nearby customers and sometimes offer credit options too.
- **Speciality Shop-** They are specialized in selling only one special item instead of varieties of products.
- **Street Shop-** They mostly attract floating customers and the products they sell are usually cheaper. They supply products from the local market or wholesaler.
- **Second-hand Shop-** These shops sell second hand or used products, clothes, and furniture, etc. They sell their products at cheaper rates and are located

mostly on the busy streets. Shops selling second-hand cars or two-vehicles have a reasonable infrastructure.

Question 12

What is the difference between wholesaler and retailer?

Answer: Wholesale- A wholesale is selling of goods in bulk to the retailers and businesses at cheaper rates. The wholesaler buys the products in bulk, breaks it into small parts, repacked, and sells it to the retailers.

The wholesaler sells only specific items and is least interested in the location of the shop, packaging, and display of the goods. They are more interested in the quantity not the quality of a product.

For wholesale business, considerable investment is required, and not the promotion and advertisement. The customers of the wholesale are spread in various cities, town, and different states. Most of the purchases are sold through credit to the customers.

Retail- When buyers buy a product and sell it to the final customers for their consumption, and not for any resale, this is known as Retail. The retailers are the mediator between wholesaler and customers. They purchase goods from the wholesaler and sell them to the ultimate customers in small quantity.

The profit margin in the retail business is high as the retailer buy-in cheaper rates and sell it to the customers at a higher price. The final price in which the retailers sell the product includes expenses such as rent, electricity, salaries of workers, etc.