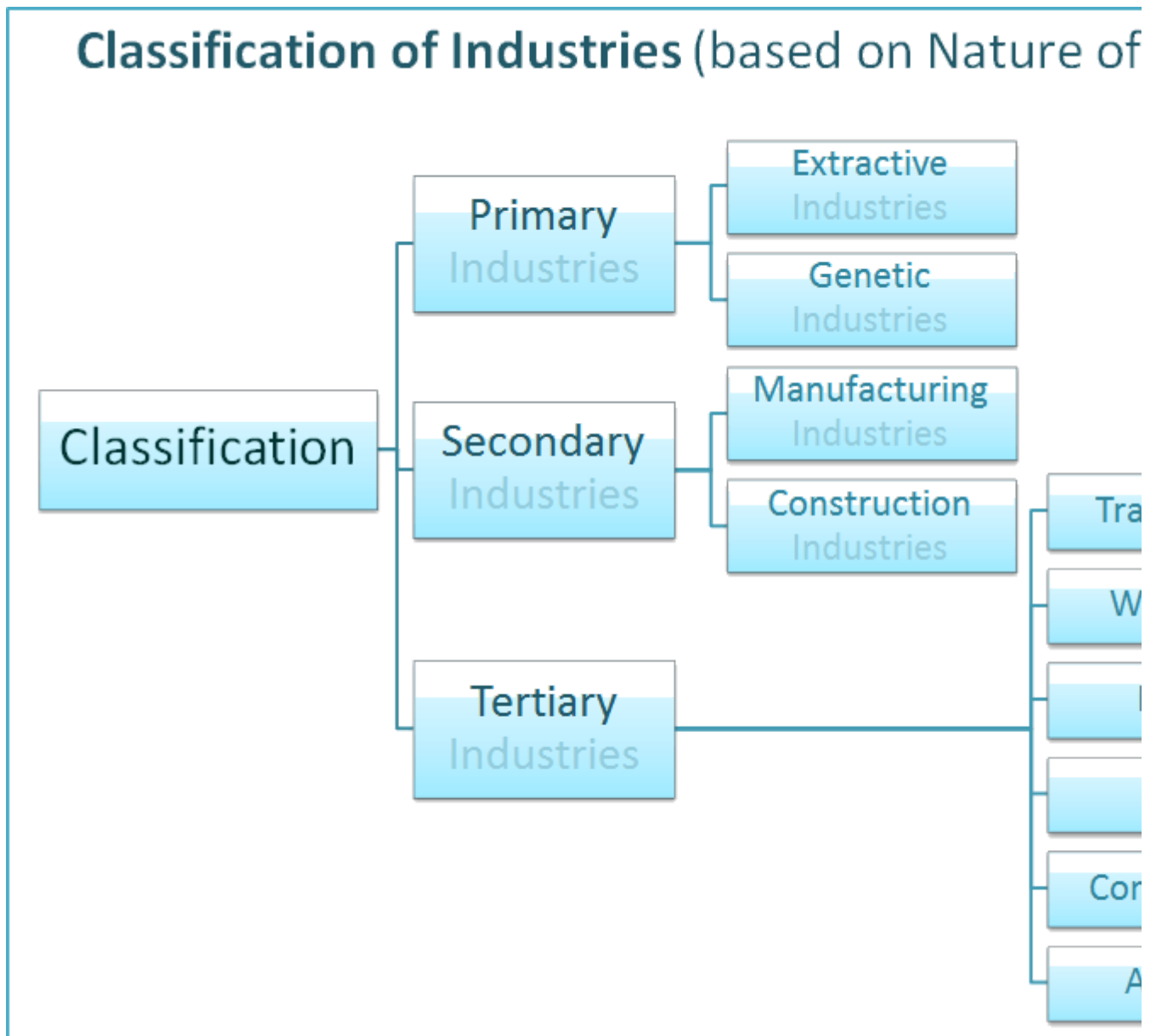


Examrace

Classification of Industry: Discussions in Commerce for Competitive Exams

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Classification of industries on the basis of nature of activities. It's includes primary, secondary and tertiary industry.

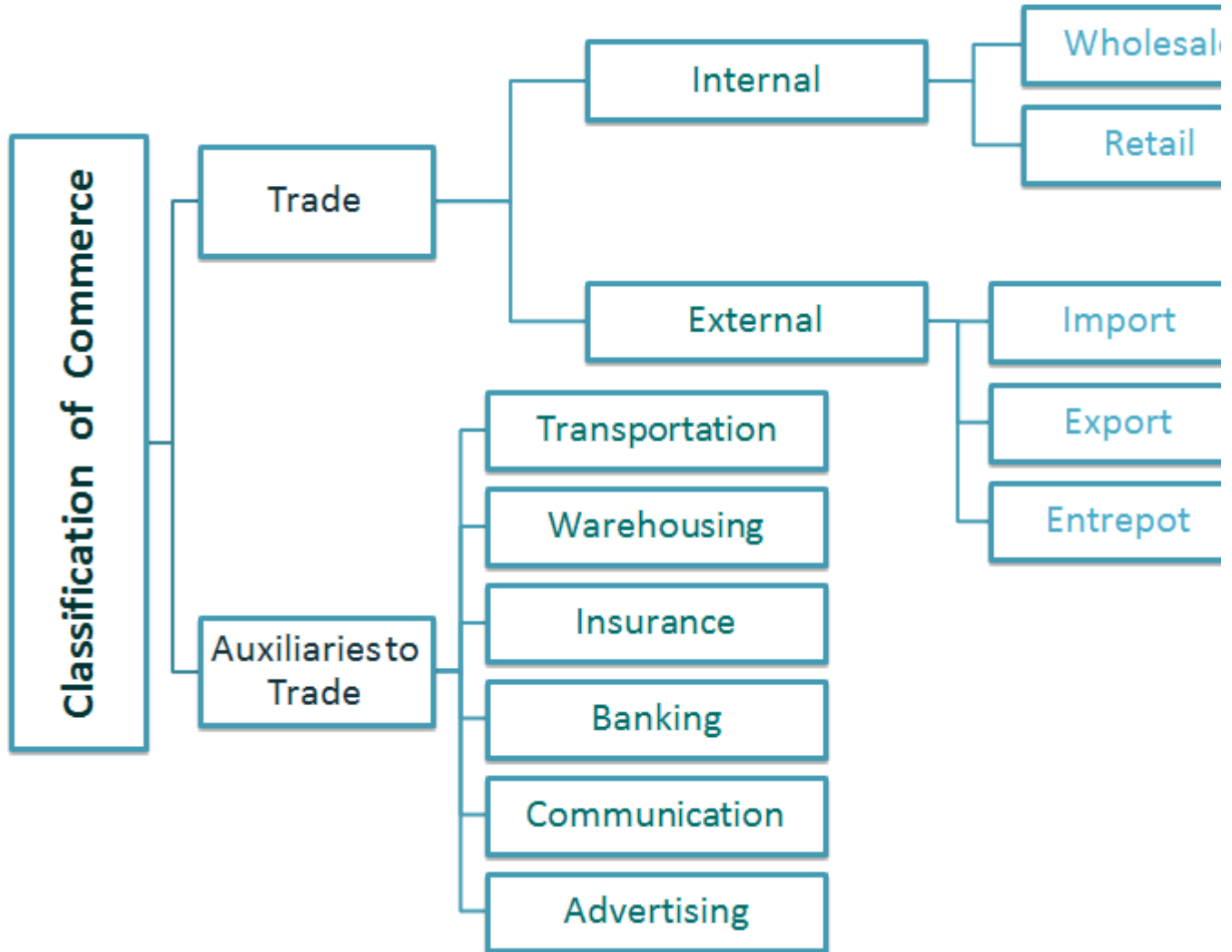


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Commerce

All goods and services produced are to be made available by those who need them. It involves a number of additional activities.

- All these activities taken together are known as Commerce.
- Provides necessary link between producers and consumers of goods and services.
- Facilitates purchase and sale of goods and services.
- It includes trade and auxiliary to trade. Both the trade are categorized as different area.



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Activities Included in Commerce

- Buying and selling of goods and services. It is termed as Trade.
- Activities essential for smooth and uninterrupted flow of goods and services from production to consumption.
- It is known as 'Auxiliaries to trade' or 'Aids to trade'.

Trade

Trade is an integral part of commerce. It simply refers to sale, transfer or exchange of goods and services. Wholesalers as well as grocery shop owners are to be engaged in trading.

Features of Trade Activity

- Involves actual buying and selling of goods
- Procuring goods from one place/person to sell it to another person or at another place.
- Traders also known as middlemen facilitate to distribute of goods.
- Trading helps in equalizing demand and supply.

Classification of Trade

- **Internal Trade:** Both buying and selling take place within country.
- **External Trade:** Buying and selling of goods/services across national boundaries. It takes any of following forms.
 - **Import trade:** Firms purchase goods from another county to be sold in its own country.
 - **Export trade:** Firms sell goods produced in their own country to firm of other country.
 - **Entrepot trade:** 'A' purchase goods from firms of country 'B' to be sold to firms of country 'C'.

Auxiliaries to Trade

It is to facilitate buying and selling of goods other activities are required to be performed. It includes, transport of goods, storage of goods, financial transactions, insurance of goods etc.

AUXILIARIES TO TR

- Transportation and communication
- Banking
- Insurance
- ware housing
- Advertising
- And packaging

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