

SECTION – I

20x1=20

- 1.a) Manufacturing Industries
- 2.d) Place utility
- 3.a) Entrepot
- 4.d) Principal
- 5.a) Departmental Store
- 6.a) Tele-shopping
- 7.b) Trade enquiry
- 8.b) Indent
- 9.c) Bill of Loading
- 10.c) 1867
- 11.b) Time
- 12.a) Delivery order
- 13.b) Stale cheque
- 14.b) Fixed deposit
- 15.b) 1993
- 16.b) Liability Insurance
- 17.b) Outdoor Advertising
- 18.c) Radio Advertising
- 19.c) Hire Purchase Act 1972
- 20.a) 15.4.1987

SECTION – II

7x2=14

Answer any 7 questions in which Question No. 21 is Compulsory

21. Home trade is one, which is carried on within the boundaries of a particular country.

22. Auxiliaries of Trade Transport, Warehousing, Insurance, Banking, Advertisement, communication, Salesman Ship.

23. Multiple Shop 1.A Multiple shop is a network of a number of branches situated at different localities in a city or in a different part of the country. 2. 'Multiple Shop' indicates that similar shops are established in multiples by the same management.

24. MNC A Multinational Company is one whose ownership is accommodated in more than one country.

25. Disadvantages of Ocean Transport

1.In ocean transport, the cargo may be Jettisoned to ensure the safety and security of eh ship and its crew. 2. Ocean transport is subject to great risk of storm and other perils of the sea. 3. Its movement is slow when compared with air transport.

26. Warehousing is one of the functions of marketing. The Place where the goods are stored is called as warehousing. **(or)**

It is an arrangement by which goods are stored when they are not immediately needed and are kept in such a manner so as to protect from deterioration.

27. Internet Banking Banking through Internet is called internet banking.

28. Burglary insurance Burglary insurance falls under the classification 'Insurance of property '. In a burglary policy, the loss of household goods and personal effects due to theft, burglary, house-breaking and acts of such nature are covered.

29. Painted Display It is an artistic work visible from a distant place.

30. State Commission 1.The State Commission can entertain complaints where the value of goods or services and compensation if any, claimed exceeds Rs.20 lakh but does not exceed Rs.1 Crore. 2.It can also entertain appeals against the orders of any district forum within the state. 3.The State Commission shall have three members. 4.The president of the State Commission shall be a Judge or retired Judge of a High Court appointed by the State Government.The other two members shall be persons of ability, integrity and standing.

SECTION – III

7x3=21

Answer any 7 questions in which Question No. 31 is Compulsory

31.Hindrance of Finance: 1.The problem of finance affects the producer, trader and the consumer. 2.If the manufacturer is to continue production without any disruption, if the trader is to run his business without shortage of stock 3.If the consumers are to satisfy their varied requirements, adequate finance is essential for the producer, the trader, the consumer and all others connected with trade. 4.There is always a time gap between production and consumption and between purchase and sale. Financial institutions

32.Factors	Brokers
Take possession of goods	Does not take the possession of goods
Deals in his own name	Deals on behalf of the owner of goods (principal)
Right to receive payments	Cannot receive payments

Personally liable for his actions	Principal is liable for his actions
Remuneration is called Commission	Remuneration is called brokerage
He has a right of lien on goods in his possession for his unpaid charges	He cannot have the right of lien on goods in his possession for his unpaid charges.
He is a general mercantile agent	He is a special mercantile agent

33. Buying Comforts: The bigger Departmental Store offers a great number of amenities and attractions to the Customers. Restaurants, post and telegraph offices, parking, canteen, reading rooms and various forms of recreation etc., are provided to the customers.

34. Intermediaries in Export trade: 1. Clearing and Forwarding Agents 2. Commission Agents Export & Trading houses

35. Types of Land Transport: 1. Pack animals 2. Bullock carts 3. Motor lorries and buses 4. Tram ways 5. Railways

36. Delivery order: This is a document through which the depositor directs the warehouse keeper to deliver the specified goods either to the party mentioned in the document or to the bearer.

37. ELECTRONIC FUND TRANSFER (EFT): Using the computers the settlement process is made fast by transmitting the information electronically. The use of data communications to transfer money among accounts is called as electronic fund transfer.

(or)

EFT is a payment effected by communication of electronically transmitted message to his bank by a customer or a bank to another bank.

38. Direct Advertising 1. This method is direct in its approach and hence often referred to as 'direct advertising' 2. Here printed materials are used to spread information. 3. A close touch with the customers is made possible through direct mail advertising. 4. It may take various forms according to the method in which the advertisement copy is prepared.

5. Eg:- a) Sales letter b) Envelope enclosures c) booklets, Gifts, Novelties, Catalogues, etc...

39. Rights of consumers 1) Right to be informed about the product quality, quantity, purity, standard and price of goods. 2) Right of protection against marketing of goods which are hazardous to life and property. 3) Right of access to variety of goods at competitive prices. 4) Right of consumer education regarding usage, handling etc., of the products. 5) Right to have protection from unfair and deceptive trade practices. 6) Right to be heard and to be assured that the consumer's interest will receive due consideration. 7) Right to seek reprisal against unfair trade practices or unscrupulous exploitation of consumers.

40. FIRE INSURANCE The object of fire insurance is to indemnify the insured against loss from fire. Rupees Fifty Thousand.

SECTION IV Answer All 7x5 = 35

41.a. Hindrances of commerce: 1.

Hindrance of persons Producers are few in numbers and are separated from millions of consumers. Producers cannot deal directly with each and every consumer. So the producer and the consumer do not know each other. This difficulty is known as 'personal hindrance'. But in actual practice we do not even feel that such a hurdle is present. Specialist or professional middlemen operate in the process of buying and selling the goods. They provide a link between producers and consumers. Wholesalers, retailers and the intermediaries purchase and hold the goods and arrange for their sale or distribution to the consumers in different localities. **2. Hindrance of place** Goods are produced at a few places but are required for use at different places. Geographical distance separate producers and consumers. This difficulty of distance is removed by transport. For example knitwear products of Tirupur are sold throughout the world. Nellore rice is widely consumed in Chennai and other places with the help of various means of transport. If goods are not made available at a place where they are needed, their production has no utility. Transport ensures quick supply of goods at different places where demand exists. It has linked up all the areas of the world and enabled the people of all countries to benefit through exchange of goods. **3. Hindrance of time** It is a common knowledge that certain goods are produced during particular season

but are demanded throughout the year. Examples are food grain, cotton etc., Similarly a few goods are demanded only during particular season but they have to be manufactured and stored much before. For example, woollen goods are needed in winter and umbrellas and raincoats in the rainy seasons, but they have to be produced and stored much ahead of season. Products must be made available at a time when consumers desire or decide to buy. Warehousing removes this difficulty by storing the goods in ready stock to meet any essential or usual demand.

4. Hindrance of risk During the movement of goods from place to place or during storage, there are the possibilities of damage to goods and loss to be sustained. Damage by fire, loss due to cyclone, deterioration due to natural causes are the few examples of risks. The Insurance companies cover the various kinds of risks by accepting premia. **5. Hindrance of knowledge** The consumers may not buy the best products available in the market because they may not possess the knowledge of the market conditions. Hence it is known as hindrance of knowledge. The absence of information about products is a great hindrance in the way of buying them. It is overcome by means of advertisement and salesmanship. **6. Hindrance of finance** The problem of finance affects the producer, trader and the consumer. If the manufacturer is to continue production without any disruption, if the trader is to run his business without shortage of stock and if the consumers are to satisfy their varied requirements, adequate finance is essential for the producer, the trader, the consumer and all others connected with trade. There is always a time gap between production and consumption and between purchase and sale. Banks and other financial institutions make available the required funds on certain principles and proper securities.

41.b. Objectives of Advertising: **1.** To make an immediate sale. **2.** To build primary demand. **3.** To introduce a price deal. **4.** To inform about a product's availability. **5.** To build brand recognition or brand insistence. **6.** To help salesmen by creating an awareness of a product among retailers. **7.** To create a reputation for service, reliability or research strength. **8.** To increase market share. **9.** To

modify existing product appeals and buying motives. **10.** To inform about new products' availability or features or price. **11.** To increase the frequency of use of a product. **12.** To increase the number or quality of retail outlets. **13.** To build overall company image. **14.** To effect immediate buying action. **15.** To reach new areas or new segments of population within existing areas. **16.** To develop overseas market.

42.a.Characteristics of Wholesaler
(i)Procurement in bulk quantity He buys in bulk quantities from producers and sells in small lots. It is the important characteristics of the wholesaler. **(ii) Sale to other dealers** The wholesaler sells goods to retailers. He does not come into direct contract with the ultimate consumers. **(iii) Buying directly from manufacturer** Usually the wholesaler buys directly from the manufacturers or producers. **(iv) Restriction to one or few goods** He usually deals in a few types of products or a particular line of products. **(v) Personal service** He operates in a specific area determined by producers. He is a vital link between the producer and the retailer.

42.b. Advantages of Motor transport: **(a) Flexibility** The greatest merit of motor transport is its flexibility. It can reach the interior and remote villages. Unlike railways, it is not wedded to any particular track. It can change its route, timing and areas of operation. It can pick up as well as deliver goods almost anywhere. **(b) Complete service** It provides a complete service to businessmen. It leads the goods from the factory or the firm and delivers them at the door of buyers. It thus avoids much handling and the resultant damage. But in the case of railways, goods have to be taken to the railway station, unloaded from the carriers and then loaded in the railway wagons; at the destination they have to be again unloaded from them before being delivered to consignees. Besides adding to the cost of goods, this intermediate loading and handling causes damage to goods and delays their delivery. **(c) Suitability** Motor transport is very well suited for short distance traffic. It is also suitable for delivery of small loads to many consignees on the way. As the capacity of lorries is less than that of railway wagons, small traders who have to transport limited

loads, can conveniently make use of this transport. It is more suitable for goods like perishable articles which are to be delivered quickly and for meeting sudden demand.

(d) Economy Goods for lorry transport do not require elaborate packing. It is common for owners of goods to travel in lorries along with their goods in order to personally attend to loading and unloading. This practice reduces the risks of breakages and thefts. Further, freight rates in roadways are comparatively lower for short distances and small loads than that in railways. The absence of intermediate handling and loading also reduces the cost in the case of motor transport. Moreover, laying a road is cheaper than laying a railway track. The users of roads pay very little for their laying and maintenance. **(e) Speed** Motor transport is quicker than rail transport for transporting goods over short distances. Quick transport and prompt delivery help to increase the turnover of business. **(f) Service** Motor transport renders a valuable service to interior rural areas by connecting them with railway stations, markets and nearby towns. It serves as feeder to other forms of transport, namely railways, waterways and airways. It helps fruits, vegetables, dairy products etc. reach nearby cities and towns in a state of freshness. Its service to hill areas deserves special mention because of its greater climbing capacity than rail transport. It earns huge revenue to the government and creates more employment opportunities.

43.a HIRE PURCHASE SYSTEM	INSTALMENT SYSTEM
It is not a contract of sale	It is a contract of sale
The buyer cannot hire, sell or pledge the articles bought.	The buyer can do anything with the article which in normal course the owner has the right to do.
A default in payment of instalment leads to seizure of articles	For a default in payment of instalment the article cannot be seized
As the ownership is retained by the seller, the risk of bad debt is the minimum.	Chances of bad debts are more.

43.b. Dishonour of cheque

1. Countermanding of payment by drawer: The customer may ask his banker not to pay a particular cheque issued by him. This is called as countermanding or stopping the payment.

2. Notice of customer's death: When a banker receives notice of customer's death or comes to know it, the banker should not Pay the cheques issued by his customer prior to his death. The banker should return such cheques with the remark "drawer deceased".

3. Insanity of the customer: When a banker receives notice of insanity of his customer or comes to know of it, the banker should not pay the cheques drawn by the insane customer.

4. Insolvency: When a banker comes to know that customer has become insolvent he should not honour the cheques. **5. Court order:**

When a bank receives the order from the court attaching the money belonging to the customer, the banker should not honour the cheques. This court order is called as Garnishee Order. **6. Notice of assignment:**

When a banker receives notice that his customer has assigned the credit balance in the account to another, the banker should not honour the cheques. **7. Knowledge of breach of trust:**

When a banker comes to know that the customer operating the trust account misuses the funds against the rules of the trust, he should not honour the cheques. **8. Knowledge of defect in the title of the holder:**

When the banker believes that the person presenting the cheque is not the real owner, he should not honour the cheques. **9. Insufficient fund:**

If sufficient money is not available in the account of the customer the banker should not honour the cheques. **10. Post dated cheque:**

If a cheque contains a future date, the banker should not honour the cheque. **11. Stale cheque:** If a cheque is in circulation for more than six months, it is recorded as stale cheque or out-of-date. The banker should not honour the cheques. **12. Signature difference:**

If there is any difference between the actual signature of the drawer on the cheque and his specimen signature, the banker should not honour the cheques. **13. Irregular endorsements:**

If the endorsement is not in the proper order, the banker should not honour the cheques. **14. Words and figures differ:**

If the amount stated in words is different from the amount

stated in figures, the banker should not honour the cheques. **15. Alteration:** If there is alteration of the cheques and such alteration is not conformed by the drawer by putting his full signature, the banker should not honour the cheques. **16. Form of the cheque:** If a cheque is not properly drawn, the banker should not honour the cheques. **17. Drawn on another branch:** If a cheque is presented for payment at a branch other than the one where the account is kept, the banker should not honour the cheques.

44.a. Benefits of World Trade Organisation

1. The system helps to promote peace. **2.** Disputes are handled constructively. **3.** Rules make life easier for all. **4.** Free trade cuts the costs of living. **5.** It provides more choice of products and qualities. **6.** Trade raises incomes. **7.** Trade stimulates economic growth. **8.** The basic principles make life more efficient. **9.** Governments are shielded from lobbying. **10.** The system encourages good government.

44.b. Responsibilities of the consumer are as follows:-

1. The consumer must pay the price of the goods according to the terms of the contract. **2.** The consumer has got a duty to apply to the seller for the delivery of the goods. He has to take delivery of the goods in time. **3.** The consumer has to bear any loss, which may arise to the seller as a result of the consumer refusing to take delivery or for not taking delivery of the goods in time as per the contract. **4.** The consumer is bound to pay any interest and special damages to the seller in case he had delayed the payment to the seller. **5.** The consumer must ask for and collect the invoice, money receipt, delivery note and guarantee card. **6.** The consumer has to follow and observe the instructions and precautions while using the products.

45.a.Common carrier	Private carrier
A common carrier is one who is engaged in regular trade or business	A private carrier is engaged in a casual occupation and carries goods on occasions or under a special contract
He carries goods for all persons indiscriminately.	He carries goods for particular persons of his own choice

The liability of common carrier is governed by Carriers Act 1865	There is no separate Act. The liability of a private carrier is that of a bailee to whom goods are delivered in trust.
He carries goods for hire or reward.	A private carrier may carry goods for hire or gratuitously
He is generally an insurer of the goods he carries.	He is responsible only for loss or damage directly attributable to his negligence.

45.b. Advantages of Web Advertising

i) Advertisements can reach a very large number of potential globally buyers. **ii)** Web advertisements are accessed on demand for all the 24 hours a day, 365 days a year **iii)** One-to-One direct marketing is possible **iv)** Web advertisements can be interactive and targeted to specific interest groups and individuals. **v)** Contents can be updated, supplemented or changed at any time at a minimum cost. **vi)** Multimedia will create more attractive advertisements. **vii)** They can efficiently use the convergence of text, audio, graphics and animation. **viii)** They can introduce new products or alternatives to existing products. **ix)** They can generate an awareness of the branded products.

46.a.Functions of Warehousing:

1. Protection of Goods: Warehousing saves the goods from deterioration by storing in suitable racks, cans, drums, bags and by keeping them away from sun, dust and rain. Thus the warehousing safeguards the goods from various agents of harms both natural and human. Making safety and security arrangements make pilferage and theft difficult. Fire protection devices are also kept ready to protect the goods from fire. **2. Price stabilization:** Warehousing ensures price stabilization by supplying of goods as and when demanded. In the absence of warehousing, smooth flow of goods is not possible for raising the price. Thus warehousing acts as a cushion to absorb the price fluctuations and supplies the goods at more or less uniform prices throughout the year. **3. Storage of goods:** There is a gap between the period of production and the

period of consumption and also between the quantity produced and quantity consumed. The surplus goods are stored properly for the purpose of supplying them at right place and at the right time **4. Equalization of demand and Supply:** Warehousing equalise the demand and supply of goods by storing the goods when they are not demanded and releasing when there is demand. Thus Consumers can get the commodities regularly even during the off-season periods. To avoid famines and scarcity of goods, the government also warehouses the food grains through effective warehousing programmes. **5. Facilitating Business Finance:** Based on the goods deposited in a warehouse, the depositor can get finance by showing the receipt issued by the warehouse keeper from banks and other financial institutions. **6. Preparation for sale:** Now a days modern warehouses undertake the functions of sorting, packing and labeling for the purpose of making the goods suitable for marketing. Hence, the warehousing is needed for making the goods suitable for marketing. **7. Delivery to the buyer:** The buyer when he buys the goods can take delivery of goods from the warehouse. The seller can hand over the goods by simply issuing delivery order to the warehouse-keeper when the good are stored by mentioning the name of the buyer. **8. Widening the marketing area:** A manufacturer can sell the goods to different marketing areas by establishing branch warehouses or taking the services of rented warehouses at the required places. Thus warehousing widens the market for the goods. **9. Concentration on production:** Warehousing relieves the producers from the problem of storing the goods. They need not have separate storage place of their own since the warehouse keepers give all these special services. Therefore the producers can concentrate on production. **10. Conditioning the products:** Warehouses condition certain commodities like cheese, tobacco and wood for getting improvement in quality, flavor and durability as the time passes. **11. Risk bearing:** Incase of damage to the goods warehouse keeper compensate the loss caused to the owner of the goods. Thus wavehouse bear the loos of risk involved in storage of goods. **12. Other functions:**

Besides the above the warehousing also provides employment opportunities, avoids rush transportation during peak periods, smoothens the marketing process and raises the standard of living of the people, provides samples to the byer etc.,

46.b. Principles of Insurance

1. Insurable Interest Insurable interest is necessary for a valid contract of insurance. Insurable interest must be a pecuniary interest. A person is said to have insurable interest in a property, as to have benefit from its existence and prejudiced by its destruction. Insurable interest is not to be presumed from the existence of mere relationship. But the pecuniary interest must be proved. **2. Utmost good faith** A contract of insurance is a contract of utmost good faith. The principle of disclosure of all material facts should be followed. In a contract of insurance, the proposer is bound to make full disclosure of all facts (Material or otherwise). Misrepresentation, non-disclosure or fraudulent misrepresentation in any document leads to disowning the insurer from all liabilities under the contract. No policy can be challenged after two years on the basis above reasons. But this provision is not applicable, if the insurer proves that misrepresentation or non-disclosure of material facts has been willfully done by the insured, with a view to defraud the insurer. It is equally obligatory for the insurer to observe utmost good faith and provide all facts to the insured.

3. Indemnity 'To indemnify' means 'to make good the actual loss suffered'. The principle of indemnity is applicable to property insurance alone. Insurance contract are contracts of indemnity. This means that the insured should be placed after a loss, in the same position as he was immediately before the loss. This principle ensures that the insured does not make any profit out of the insurance. In the event of total loss, the insurer pays the actual loss or the sum insured whichever is less. Under no circumstances the insured can get more than the actual loss. **4. Proximate cause** Proximate means nearest. It is only the nearest reason and not the remote reason is the factor to be taken into account. The insurer is liable only if the nearest cause comes within the meaning of risk insured. **5. Contribution** Where a property is over insured by double insurance, each insurer is bound as between

himself and other insurers, to contribute ratable to the loss, in proportion to the amount for which he is liable under his contract with the insured. **6. Subrogation** The principle of subrogation is referred as stepping into the shoes of others. Subrogation means transfer of rights and remedies of the insured to the insurer after the indemnity has been effected. According to this principle, after the insured is compensated for loss, the right of ownership of such damaged part of the property passes to the insurer. If the insured has any right of act against third party and can claim damages from that party, the benefit of recovery of compensation shall be transferred to the insurer.

47.a. Secondary Functions of Commercial Bank:

1. Agency functions: The following are the agency functions of the bank:

a) Collection of cheque, bill, and interest:

The banks provide services by collecting cheques, bills, promissory notes, dividend warrants and interest etc., on behalf of their customers. For these services the bank charges a small commission. **b) Executing standing instructions:** The bank makes payments for insurance premium, subscriptions and other periodical payments after getting standing instructions from the customer. The bank charges a small commission for these services. **c) Purchase and sale of securities:** After getting instructions from the customers the banker purchase or sell securities on behalf of the customers. The banks get a commission for these services. **d) Transfer of funds:** On behalf of the customers a bank may transfer funds from one place to another place through drafts, A telegram and internet.

2. Utility Functions or services: The following functions are considered as general utility functions: **a) Safe custody of valuables:** In this type of facility the banker keeps the valuable things such as ornaments, jewellery, and documents under their custody. They give acknowledgement for the valuables kept with them. The banker collects reasonable charges, for providing this service. **b) Safety locker facility:** In this type of facility the banker allows the customer to keep any kind of valuables in the locker allotted to the customer by the banker. The customer has to pay periodical rental charges to the bankers.

The customer keeps ornaments, jewellery, valuable documents etc in the locker. **c) Accepting bills:** The bank accepts the bills of exchange on behalf of its customers and there by encourages business connections. For this service a small commission charged. **d) Underwriting of Capital issues:** Underwriting is a service provided by the banks to the companies. The banks undertake to sell the shares and debentures of companies to the public. For these services the bank charges a specified rate of commission. **e) Providing informations about customers and trade:** Bankers frequently give informations about the credit worthiness of their customers to the needy persons. This helps the customers to get credit facilities from various parties. Bank also publishes informations about the business, industry and economy to help the customers. **f) Helps in foreign trade:** It helps in promoting foreign trade by issuing letter of credit discounting bill of exchange. **g) Issues Travellers cheque:** It is a cheque, which can be presented at different places of the specified banks. It is issued in different denominations. It reduces the risk of carrying cash. banker may at the request of the customer issues travelers cheques by getting specimen signature from such customer. This cheque is counter signed by the banker. **h) Issues Gift Cheques:** It is a cheque to be presented by a customer as a gift to their relatives and friends on important occasions such as marriage, birthdays and other festival days. The bank issues gift cheques in different denominations. **i) Issues Stock Invest:** It is like a cheque issued by a banker to the customer to apply for getting shares and debentures. Under this scheme the customer gets interest till the date of allotment. The money would be transferred from customer account to the company's account only on confirming the allotment of shares or debentures. Banker issues stock invest after getting deposits for the required amount. **j) Provides credit card services:** To avoid the risk of carrying cash to different places the bankers issue credit cards. This card acts as an instrument of credit. Card holders may draw cash up to the specified limit from ATM centers

and also use this card to purchase goods and get services. **k) Provides ATM service:** The Automatic Teller Machine has been started to save the banking time. Money can be drawn at any time at the specified centers.

47.b Branches of Commerce:

1. Trade Trade removes hindrance of person through wholesalers, retailers and mercantile agents. Goods are owned and possessed by those who produce them. Unless these goods go into the hands of the consumers they will have no meaning for the society. Ownership and possession of goods must pass on from the producers to the ultimate consumers. Then only consumers can enjoy these goods. This is made possible by the organization of trade. Wholesale traders take goods from the producers and from the wholesale traders, retail traders take the goods to the consumers. Thus trade, through traders removes hindrance of person.

2. Transport Transport removes place hindrance. Goods may be produced at places where they are in less demand. These goods are to be taken to the place of consumption with the help of transport facilities we can create 'place utility' in goods. The goods are taken from a place where there is less demand, to the places where they are in more demand. The place utility helps the producer to increase the production and earns a remunerative price. The consumer is also helped by supplying him with the goods which otherwise might not have reached him. The various modes of transport i.e., road, rail, sea, air have helped the growth of commerce and industry. A producer can produce goods on any scale, according to the demand.

3. Warehousing Ware housing removes hindrance of time. Many goods, such as cotton, jute, food grains, sugar, etc., are produced during particular seasons of the year. But they are needed throughout the year. To make these goods available throughout the year arrangement must be made for their proper storage. Similarly certain goods are needed in particular seasons, e.g.. woollen cloth is required during winter. Raincoats and umbrellas are essential during rainy season. These goods must be in stock in sufficient quantity before the commencement of the season. This is done with the help of warehousing.

4. Banking There is also difficulty of finance. There is always a time-gap between the time of production and consumption. During this period of time-gap, traders need funds to carry on their trade. These funds are made available by commercial banks and other financial institutions.

5. Advertisement and salesmanship The consumers may not be aware of the availability of various goods in the market. The absence of information about goods is a great hindrance for buying them. The producer will also like to have more consumers. Advertisement and salesmanship help in informing the consumers about the availability and usefulness of various products in the market. With the advent of TV, FM Radio, Internet, etc., Consumer awareness on various goods is increasing.

6. Insurance There is a risk involved in transporting goods from one place to another. This can be a risk of fire or theft. The fear of loss of goods due to any cause is an obstacle in the development of trade. The insurance companies provide the coverage for all types of losses of goods. The insurance coverage has given a fillip not only to the national trade but also to the international trade.

7. Communication The buyers and sellers need the services of various agencies for communicating their messages among themselves. The producers inform their customers about the production of goods. The intending buyers send orders to producers for the supply of goods. The services of post offices, private courier services, fax, telephones, cell phones etc., are utilized for communication purpose.

Note: For any further clarifications or doubts Teachers are kindly requested to refer the Key given in the Valuation Camp
www.maduraicommerce.com