

**Subject: Business Studies**

**Class: JSS 1**

**Topic: Introduction to Commerce**

**Week: 6**

**Meaning of Commerce:** Commerce is trade and aids to trade. Trade is the buying and selling of goods and services while aids to trade are those activities that support, enhance, facilitate, encourage, help or assist trade. These include Banking, insurance, transportation, communication, warehousing, tourism and advertising. Commerce is the process of distribution, buying and selling of what has been produced and all that aid and facilitate it (buying and selling).

### **Importance of Commerce**

1. It helps in the rapid development of a nation
2. Commerce serves as a link between manufacturers, wholesalers, retailers and buyers.
3. Commerce encourages the utilization of resources
4. Commerce provides employment
5. It enhances a good banking system
6. It gives room for infrastructural development
7. Commerce promotes the insurance system

### **Activities that Aid Commerce**

Trade is enhanced, encouraged, helped or supported by certain services referred to as Aids to Trade/Support services of Trade. These include:

- i. **Banking:** This provides and manages finance or money for trade
- ii. **Insurance:** This assists the entrepreneur (businessman) in bearing the risks involved in investing in business.
- iii. **Advertising:** This informs the public about the existence of any goods and services in order to encourage them buy or use them.
- iv. **Communication:** This facilitates the sending and receiving of information between sellers and buyers.
- v. **Transportation:** This involves the movement of people and goods from one place to another. In other words, transportation facilitates distribution of goods and services.

- vi. Tourism:** This involves visiting places of interest for pleasure as well for business. Services that are not available in one's local environment may be obtained on a tour.
- vii. Warehousing:** This is the storing of goods over time before they are distributed or sold. In other words, warehousing is a means of providing storage for goods before they are sold to wholesalers and retailers. Large quantities of manufactured goods are usually stored in warehouses.

Another word to aids to trade is auxiliaries to trade.