

UMBB

Faculty of Economics, Commercial and Management sciences  
Management Sciences department

## Commerce

### **01- Introduction to commerce:**

Commerce is the study of how commodities are exchanged. In early times the process was very simple, that is one type of goods was given for another (barter). But nowadays a complicated commercial system has evolved, and it is this system which the student of commerce studies.

As the world of commerce has become more complicated it has become necessary for firms and individuals to specialize: the principle of division of labor has become applicable to commerce, as well as to all aspects of life. One division of commerce is related to trade, the others are: transport, warehousing, banking, insurance, marketing and so on.

### **02- Types of trade:**

Trade is the operation of buying and selling, and it can be divided into **the retail trade** and **the wholesale trade**, and these make up the **internal (national) trade** of any country.

Whereas **foreign trade** concerns the **external (or the international) trade** of the country, and this can be divided into **the import** and **the export**.

### **03- Auxiliaries of trade:**

**03-01- transport:** which is the work involved in moving goods from their place of manufacture to their place of consumption.

**03-02- Banking:** this provides money to meet the needs of industry and trade, and holds it in trust for the bank's customers.

**03-03- Insurance:** this covers possible risks.

**03-04- Warehousing:** this provides storage for goods.

**03-05- Advertising:** this makes goods known to the public.