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# TRADE

## Definition

The act or process of buying, selling, or exchanging commodities, at either wholesale or retail, within a country or between countries.

## Types of trade

Trade can be divided into following two types,

- Internal or Home or Domestic trade.
- External or Foreign or International trade.

# AIDS TO TRADE

finance

transport

insurance

middlemen

warehousing

advertisement

# INDUSTRY

## Definition

Industry, group of productive enterprises or organizations that produce or supply goods, services, or sources of income.

## Types of industry

There are four types of industry. These are

- Primary,
- Secondary,
- Tertiary and
- Quaternary.

## Primary Industry

It may be divided into two categories:

- 1) **Genetic industry**, including the production of raw materials that may be increased by human intervention in the production process.

The genetic industries include agriculture, forestry, and livestock management and fishing—all of which are subject to scientific and technological improvement of renewable resources.

- 2) **Extractive industry**, including the production of exhaustible raw materials that cannot be augmented through cultivation.

The extractive industries include the mining of mineral ores, the quarrying of stone, and the extraction of mineral fuels.

## Secondary Industry

(1) Takes the raw materials supplied by primary industries and processes them into consumer goods, or

(2) Further processes goods that other secondary industries have transformed into products, or

(3) Builds capital goods used to manufacture consumer and nonconsumer goods.

Secondary industry may be divided into 2 types.

- Heavy or large-scale industry
- Light or small-scale industry

### **Tertiary Industry**

- This broad sector, also called the service industry, includes industries that, while producing no tangible goods, provide services or intangible gains or generate wealth.
- This sector generally includes both private and government enterprises.
- The industries of this sector include banking, finance, insurance, investment, and real estate services; wholesale, retail, and resale trade; transportation; professional, consulting, legal, and personal services; tourism, hotels, restaurants, and entertainment; repair and maintenance services; and health, social welfare, administrative, police, security, and defense services.

### **Quaternary Industry**

- It is concerned with information-based or knowledge-oriented products and services.
- Like the tertiary sector, it comprises a mixture of private and government endeavours.
- Industries and activities in this sector include information systems and information technology (IT); research and development, including technological development and scientific research; financial and strategic analysis and consulting; media and communications technologies and services; and education, including teaching and educational technologies and services.

# COMMERCE

## Definition

Commerce is the conduct of trade among economic agents. Generally, commerce refers to the exchange of goods, services or something of value, between businesses or entities.

## Role of commerce

The purpose of commerce is to provide the right goods to the right persons at file right time and at the right place.

## Various hindrances in commerce



Hindrances	Removed by
1. of place	Transportation
2. of contact	Communication
3. of time	Warehousing
4. of risk	Insurance
5. of finance	Banking and finance
6. of information	Advertising

## **COMPARISON TABLE**

<b>Basis</b>	<b>Industry</b>	<b>Commerce</b>	<b>Trade</b>
<b>Meaning</b>	Production of goods and services.	Distribution of goods and services.	Buying and selling of goods and services.
<b>Capital requirement</b>	Large amount of capital invested.	Comparatively lesser invested capital.	Less capital depending on the nature of business.
<b>Scope</b>	It includes primary, secondary and services industries.	It includes trade and auxiliaries to trade.	It includes home and foreign trade.
<b>Risk</b>	It involves maximum risk.	Less risk as compared to industry.	Least risk involved.
<b>Utility</b>	Creates form utility.	Creates place and time utility.	Creates possession utility.

## **ECONOMICS**

### **Definition**

Economics is a social science concerned with the production, distribution, and consumption of goods and services.

### **Branches of economics**

Two major types of economics are,

- 1) Microeconomics - which focuses on the behavior of individual consumers and producers.
- 2) Macroeconomics - which examine overall economies on a regional, national or international scale.

**The scope of economics** - means the area of the economics study. It includes:

I. **The subject matter of economics:** Economics studies man's life and work, not the whole, but only one aspect of it e.g it tells us how a man utilizes his limited resources (money & time, labor, raw material) in order to fulfill his unlimited wants.

II. **Economics is a Social Science:** In society, a man produces what he does not consume & consumes what he does not produce. So he has to buy a product which is not produced by him & sell his excess production. This process is called an Exchange.

Things produced in factories with the help of labor, land, capital, & entrepreneur. They all get a reward in the form of income (e.g. wages, rent, interest, & profit). Economics studies how these incomes are determined. This process is called Distribution:

III. **Economics, a Science or an Art?** A science is a systematized body of knowledge. Economics also many laws and principles have been discovered & hence it is treated as a science. Economics also guides the people to achieve aims, e.g. Removal poverty, so it is an art.

IV. **Economics whether positive or normative science:** A positive science explains why and how of things and normative science explains the right or wrong of the things. Economics is both, it not only tells us why certain things happen, it also says whether it is right or wrong.

## **MANAGEMENT**

### **Definition**

Management includes the activities of setting the strategy of an organization and coordinating the efforts of its employees (or of volunteers) to accomplish its objectives through the application of available resources, such as financial, natural, technological, and human resources.

### **Principles of Management**

At the most fundamental level, management is a discipline that consists of a set of five general functions or principles. They are,

- Planning,
- Organizing,
- Staffing,
- Leading and
- Controlling.

## **Objectives of Management**

The primary objective of management is to run the enterprise smoothly. The profit earning objective of a business is also to be kept in mind while undertaking various functions. Following are the broad objectives of management.

1. Proper Utilization of Resources.
2. Improving Performance.
3. Mobilizing Best Talent.
4. Planning for Future.

## **Scope or Branches of Management**

Management is an all pervasive function since it is required in all types of organized endeavour. Thus, its scope is very large. The following activities are covered under the scope of management.

- (i) Planning,
- (ii) Organization,
- (iii) Staffing,
- (iv) Directing,
- (v) Coordinating,
- (vi) Controlling.

The operational aspects of business management, called the branches of management, are as follows:

1. Production Management
2. Marketing Management
3. Financial Management
4. Personnel Management
5. Office Management.

### **LEVELS OF MANAGEMENT**

The three levels of management typically found in an organization are,

- a. Low -level management
  - b. Middle-level management
  - c. Top-level management
- Top-level managers are responsible for controlling and overseeing the entire organization.
  - Middle-level managers are responsible for executing organizational plans which comply with the company's policies. These managers act at an intermediary between top-level management and low-level management.
  - Low-level managers focus on controlling and directing. They serve as role models for the employees they supervise.

