

# NIOS lesson adaptation project

by  **Embrace** The power within you! Volunteers

(A community initiative of Harchan Foundation Trust)

## CHAPTER -2

### INDUSTRY AND COMMERCE

This project is aimed at supporting children with different needs. Information provided is adapted to the best of knowledge by the volunteers. For complete information please refer to the NIOS resources in <https://www.nios.ac.in/online-course-material/secondary-courses.aspx>.

# KWL chart

K- What does the child know	W- What does the child want to know	L- What has the child learnt
	Classification of business activities	
	Industry and its type	
	Commerce –trade and its axillary	
	E-commerce and its categories	
	Advantage of e-commerce.	

# Keywords and Meanings

Keywords	Meaning
Industry	The place where manufacturing of things happens.
Commerce	Exchange of goods and services in large scale
Enterprise	A business organization
Production	Process of making or manufacturing from raw materials
Extracting	To remove a substance from another substance.
Construction	Work or business of building somethings like houses, industries etc..
Fabrication	To make something such as a machine from different parts.

# DEFINITIONS

## **Business**

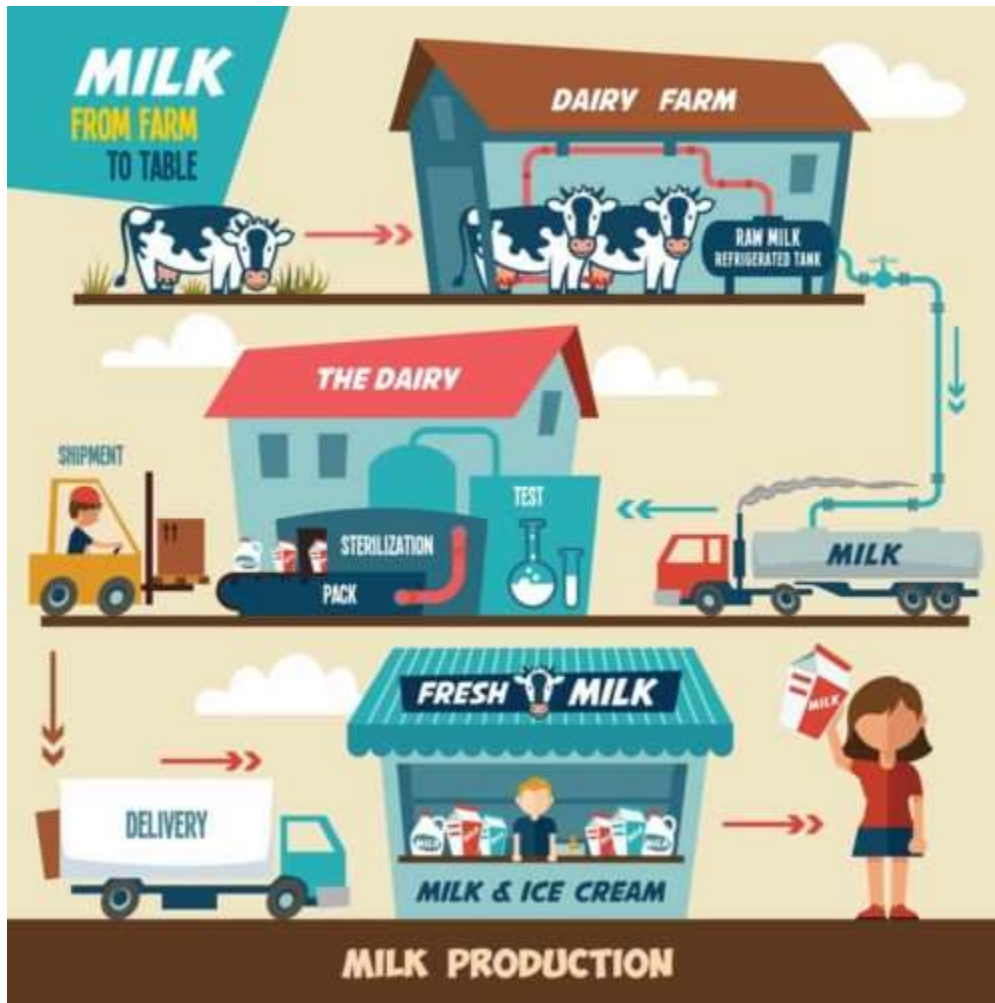
Business refers to an occupation in which goods and services are produced and sold in return of money.

## **Industry**

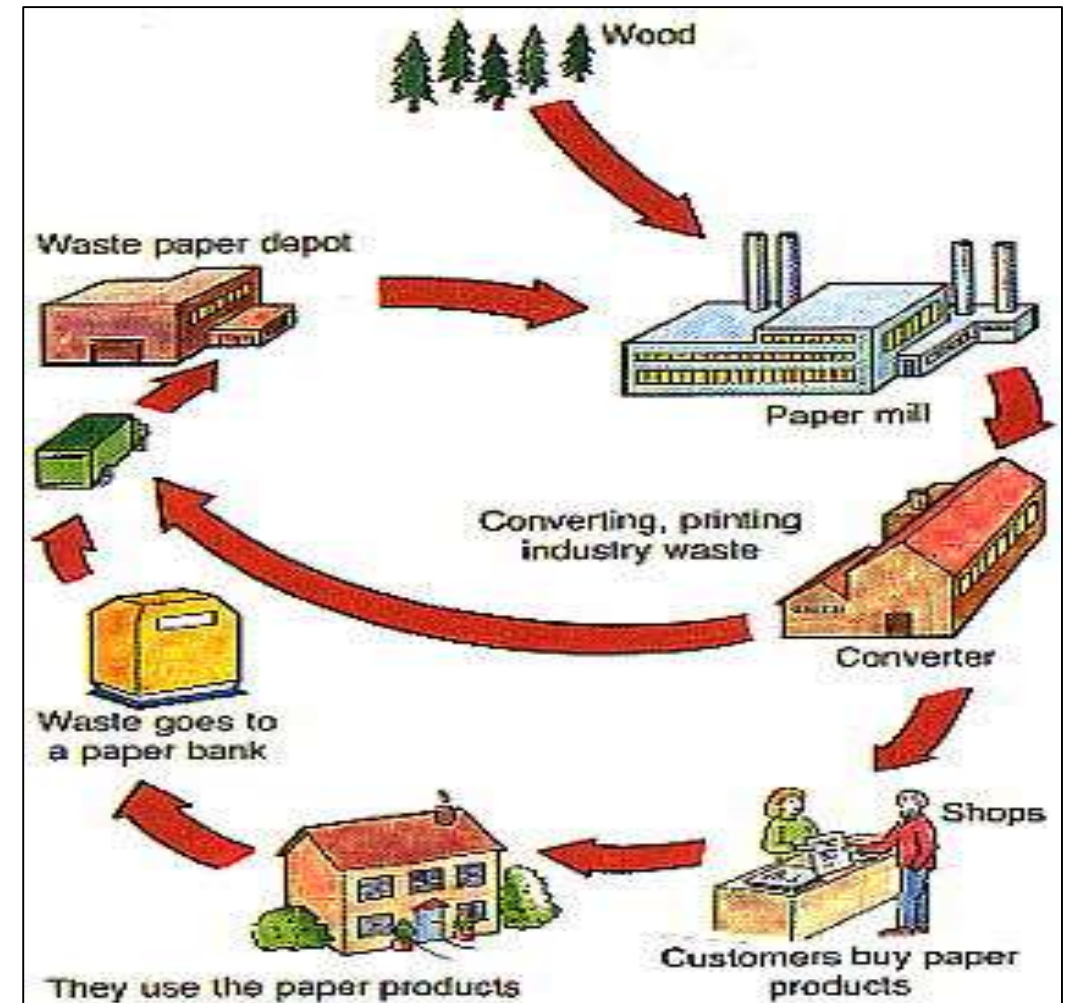
Is the business activity, which is related to the raising, producing, processing or manufacturing of products.

## Activity:

- 1) Look at the two pictures given in the next slide.
- 2) Describe about the various business activities happening in each pictures .(  
Hints: Production, Processing, distribution, transport, selling, buying)
- 3) What is the product of the industry shown in each picture.
- 4) What is the raw material for the industry shown in each picture.
- 5) Who are the users of the products?

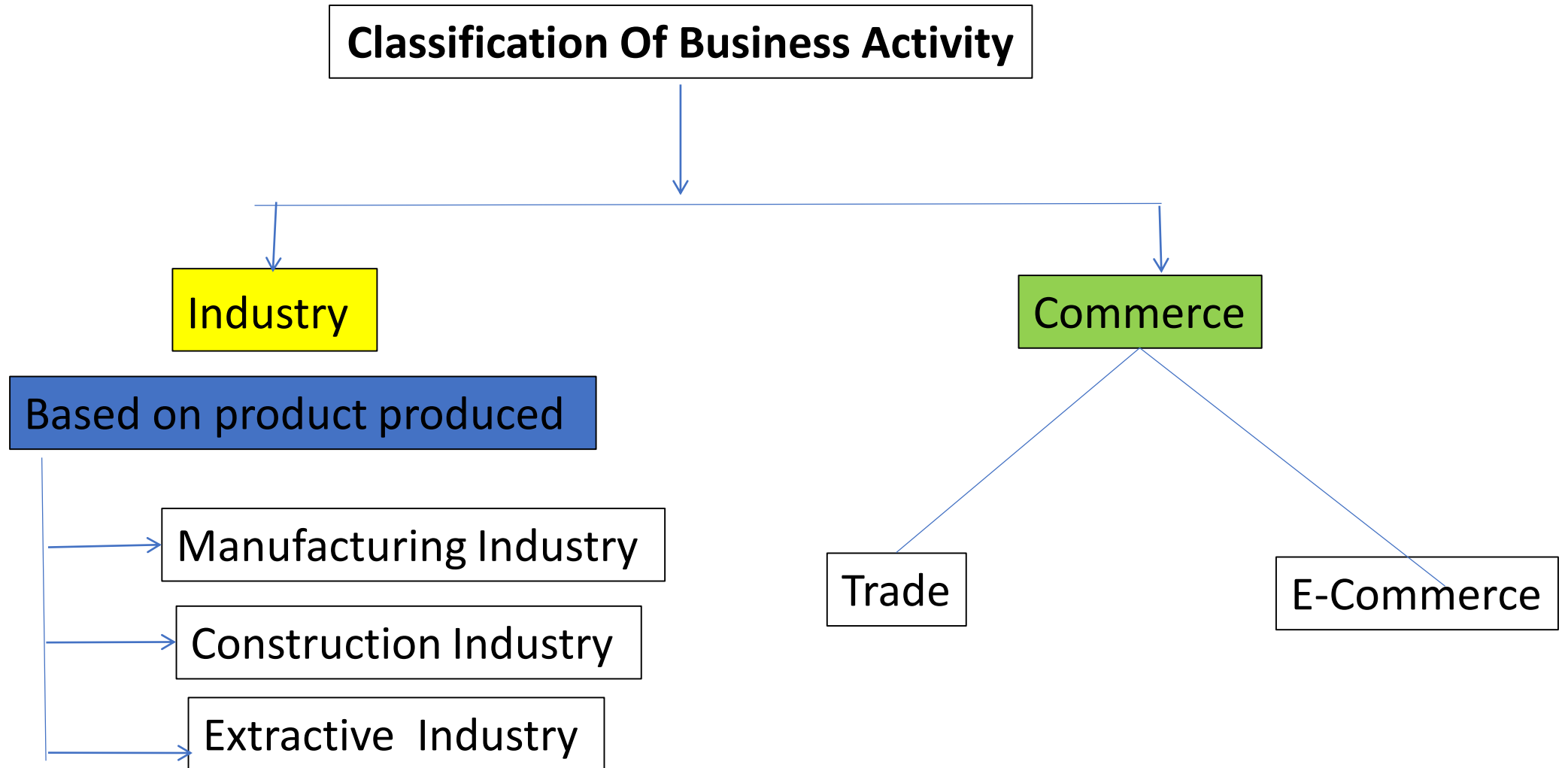


**Dairy Business**



**Paper-Making Business**

# Classification of business activity



# Industry

The production side of business activity is referred as industry.

- which is related to the raising, producing, processing or manufacturing of products.
- The products manufactured are consumer's goods as well as producer's goods.

## ➤ What is meant by Consumer goods

Are goods which are used finally by consumers. E.g. Food grains, textiles, cosmetics, etc..

## ➤ What is meant Producer's goods

Are the goods used by manufacturers for producing some other goods. E.g. Machinery, tools, equipment, etc..



# Classification of industries based on products produced

Based on product produced, industries are classified into

- Extracting industry: Extracting material like coal, iron, petroleum etc..
- Manufacturing industry: Processing and converting raw materials into finished products like iron, petroleum, cement etc.
- Construction industries: Construction activities like building, dams, bridges, roads etc..

# CLASSIFICATION/TYPE OF INDUSTRIES:

## 2) GENETIC INDUSTRY:

- ☐ Refers to industry which engages in re-production and multiplication of plants and animals for sale.
- ☐ The main aim is to earn profit from sales.  
For example: cattle rearing, poultry, cattle breeding etc..

## 2) GENETIC INDUSTRY:

For example : Plant industries, cattle rearing, poultry, cattle breeding etc..

**Cattle rearing**



**Cattle breeding**



**Poultry**

### **3) EXTRACTIVE INDUSTRY:**

- a) Refers to industry which extracts or draws out goods from soil, air or water.
- b) Product from extraction forms the raw material of manufacturing and construction industries.
- c) For example: mining industry, coal industry, oil industry, timber and rubber from forest etc..

### 3) EXECUTIVE INDUSTRY:

**For example:** mining industry , coal industry, oil industry , timber and rubber from forest etc..



Mining industry – coal, iron



Oil industry – Petrol and diesel



Rubber and wood from forest

## CLASSIFICATION/TYPE OF INDUSTRIES:

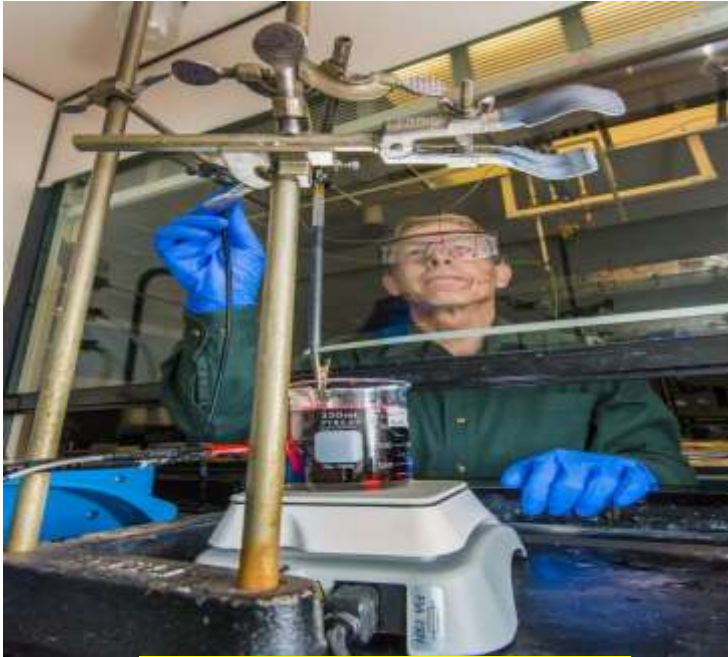
### 4) MANUFACTURING INDUSTRY:

- ❑ Refers to industry which converts raw material into finished products with the help of machine and man-power.
- ❑ The finished goods can be either consumer goods or producer goods.
- ❑ For example: textiles, chemicals, sugar industry, paper industry, etc.



## 4) MANUFACTURING INDUSTRY:

**For example:** textiles, chemicals, sugar industry paper industry, etc.



**Chemical industry**



**Paper industry**



**Textile industry**

# **CLASSIFICATION/TYPE OF INDUSTRIES:**

## **5) CONSTRUCTION INDUSTRY:**

- a) Refers to industry that takes up the work of construction of houses, building, bridges, roads, canals etc..
- b) Goods produced and sold by construction industry are constructed at one place.



## 5) CONSTRUCTION INDUSTRY:

**Example: construction** of houses, building, bridges, roads, canals etc..



**Building Construction**



**Road Construction**



**Bridge Construction**

# **CLASSIFICATION/TYPE OF INDUSTRIES:**

## **6) SERVICE INDUSTRY:**

a) Refers to industry that provides services to people based on their requirement.

**For examples:** hotel industry, tourism industry, entertainment industry,

## 6) SERVICE INDUSTRY:

**For examples:** hotel industry, tourism industry, entertainment industry ,hospital services etc..



**HOTEL INDUSTRY**



**HOSPITAL SERVICES**

**ENTERTAINMENT INDUSTRY**



**Movies & TV**



**Theme park**



**Music**

## Classification of Industry in short:

Sno.	Classification of Industry	Key word	Example
1	PRIMARY	production of goods with help of nature	Agriculture, farming, fishing.
2	GENETIC	re-production and multiplication of plants and animals	cattle rearing, poultry, cattle breeding
3	EXTRACTIVE	extracts or draws out goods from soil, air or water.	Coal, oil and rubber industry
4	MANUFACTURING	converts raw material into finished products	textiles, chemicals, sugar industry, paper industry.
5	CONSTRUCTION	Work of construction	Building, bridge, roads, railways, dam
6	SERVICE	Provides service to people based on their requirements	Hotel, hospital, entertainment industry.

# COMMERCE AND TRADE

## Define – Commerce

**Commerce** is the **business activity**, which is related to distribution of goods produced by industry.

Commerce is classified into 1) Trade and 2) E-Commerce

## Define – Trade

**Trade** is the **business activity**, which is related to buying of goods and selling to consumer. A **trader** is a middleman between the producer and the consumer.

## Define – E-Commerce

**E-commerce** is the **business activity** which is related to buying and selling of goods through internet.



# Aids or Auxiliaries to trade

## Trade :

1. The term '**trade**' is used to denote buying and selling.
2. **Person** who buys and sells is a **trader**. Thus, **a trader is a middleman** between the producer and the consumer.
3. **Trade** is of two type: 1) wholesale trade 2) retail trade

Wholesale trader	Retail Trader
<ul style="list-style-type: none"><li>• Purchases in large quantity.</li><li>• Buys from producer</li><li>• Sells in small quantity to retail trader</li></ul>	<ul style="list-style-type: none"><li>• Purchase from the wholesale trader.</li><li>• Sometimes from producer.</li><li>• Sells in smaller quantity to consumer</li></ul>

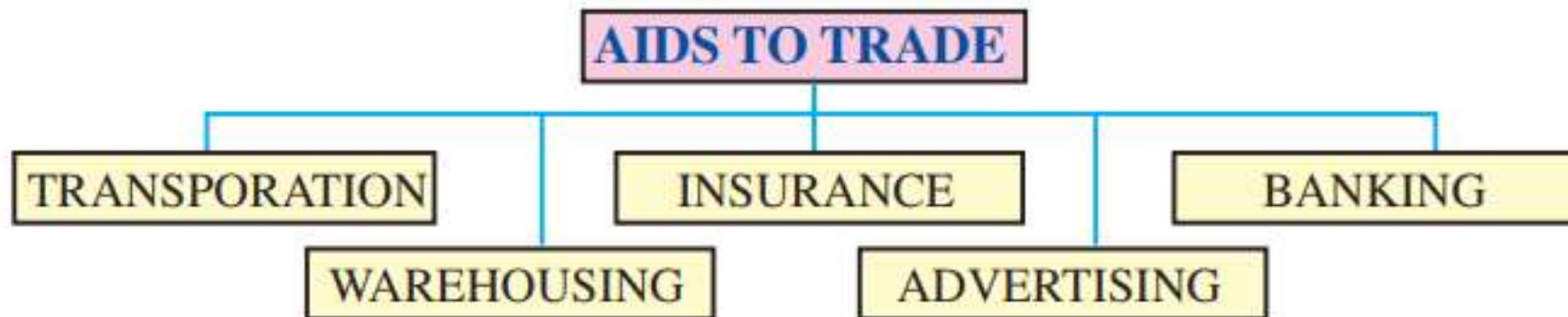
Buying



Selling

# Aids or Auxiliaries to trade

6. All activities that facilitate smooth flow of goods from manufacturing centers to the consumption centers are called aids or auxiliaries to trade.
7. Aids to trade may be classified into five categories: (1) transportation, (2) warehousing, (3) insurance, (4) advertising, and (5) banking.



## Aids of Trading:



1) **Transportation:** Goods or services are transported from one place to another for selling by suitable mode of transport.



2) **Warehousing:** Warehouse or godowns are used to store material produced in industry till they are sold.



### 3) Insurance:



## Aids of Trading:

- Goods produced by industry are in the risk of damage or loss during storage or transport.
- It is very important for business to take insurance policy for the material from insurance companies paying certain fixed amount called premium.
- The insurance company compensates for any loss or damage of goods which helps the business man largely.

### 4)Banking:

- ❖ Supply money in form of loans.
- ❖ Help in financial transactions.



# Aids of Trading:



## 4) Advertising:

- ☐ Advertising is an **effective aid in selling the goods**.
- ☐ The **producer, through advertisement, communicates** all information about his goods, **to the consumers**.
- ☐ This advertisements **create** in the consumer **a strong desire to buy the product**. Thus sales of the product increases.
- ☐ **Communicating with people** through advertising, when they are **in their homes**, is called **indoor advertising**. Examples are newspapers, radio, 'television, etc..
- ☐ **Communicating with people**, when they **go out from their homes**, is called **outdoor advertising**. Examples are cinema theatre, wall posters, and hoardings at prominent places.

## Define – E-Commerce

**E-commerce** is the **business activity** which is related to buying and selling of goods and services through internet.



## Points to remember:

- **E-Commerce (e-commerce) or electronic commerce** is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically.
- E-Commerce is also called as **E-Business**. For **online retail selling**, the term **E-tailing** is sometimes used.
- Famous E-commerce website of online shopping are Amazon, Flipkart, ebay, Myntra etc..
- Financial transactions in E-commerce are conducted through electronic means like network banking, Paytm , google pay etc..

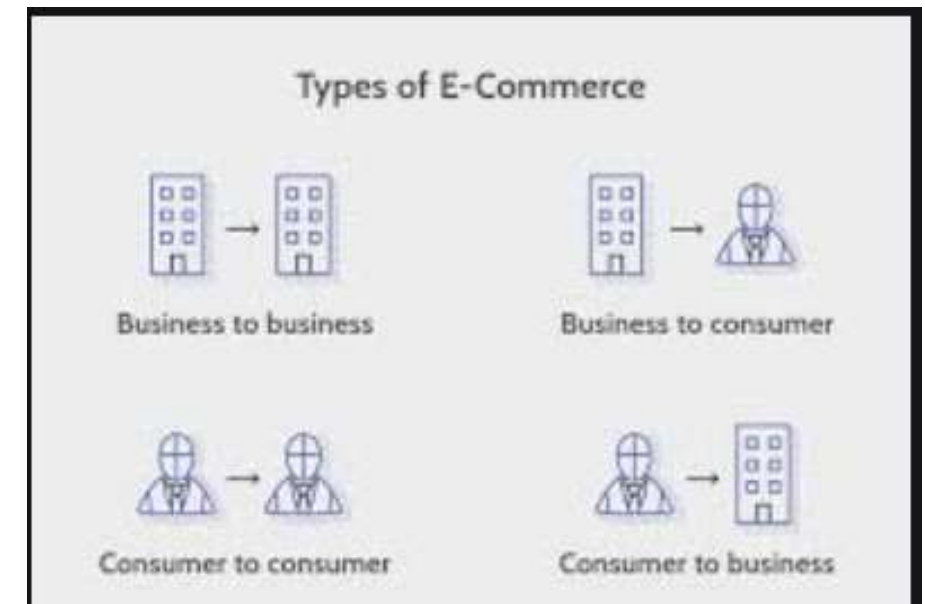
## ➤ Type of E-Commerce:

Where to include the cart?

E-Commerce can be broken into four main categories: B2B, B2C, C2B, and C2C.

	Business	Customers
Business	Business B2B	Customers C2B
Customers	B2C	C2C

**Types of e-commerce**



# TYPES OF E-COMMERCE

## 1) B2B (Business-to-Business):

- ✓ Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers.
- ✓ Pricing is based on quantity of order and is often negotiable.

## 2) B2C (Business-to-Consumer):

- ✓ Businesses selling to the general public typically through catalogs utilizing shopping cart software.
- ✓ B2B takes the price, and the consumer to do the transaction .

### 3) C2B (Consumer-to-Business):

- ✓ A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project.
- ✓ The consumer reviews the bids and selects the company that will complete the project.
- ✓ C2B empowers consumers around the world by providing the meeting ground and platform for such transactions.



### 4) C2C (Consumer-to-Consumer):

- ✓ There are many sites offering free classifieds, auctions, and forums where individuals can buy and sell things online with ease.
- ✓ eBay's auction service is a great example of where person-to-person transactions take place everyday since 1995.

## Other Forms of E-Commerce

- 1) Other Forms of e-Commerce that involve transactions with the government— from procurement , filing taxes , business registrations to renewing licenses.
  
- 2) Some of these are:
  - G2G (Government-to-Government), G2E (Government-to-Employee),
  - G2B (Government-to-Business), B2G (Business-to-Government), G2C (Government-to-Citizen), C2G (Citizen-to-Government).



# Difference between Regular Business and E- Business

Sno	Differences	Regular Business	E-Business
1	Establishment	Difficult to setup	Easy to setup
2	Physical presence	Required	Not required
3	Cost of establishment and operation	More	Less
4	Time consumption	More	Less
5	Length of business transaction	More	Less
6	Global reach	Less	More
7	Government help	Less	More
8	Interpersonal relationship	More	Less

## Advantage of E- Commerce:

- 1) **Wider choice:** Customer has wider choice of products and services and businessmen have wider market globally.
- 2) **Improved customer service:** Wider range of services during and after the purchase of material is provided to customers.
- 3) **Quick response to customer needs :** Transaction time is very less as producers bypass the distribution channel and supply to the customer directly.
- 4) **Cost saving and price reduction:** There is saving of cost in displaying in showroom and saving in godown for the producer so the customer get goods at lower price.
- 5) **Market information:** Businessmen are able to identify the customer needs based on the information online and are able to develop their business.

# List of Volunteers

## Embrace-NIOS lesson adaptation project

(A community initiative of Harchan Foundation Trust)

**Mentors ( Volunteers ) :** Banu Arjun, Hema Bhatia, Indumathi , Kalpana Sankar, Priya Balasubramanian, Renu Goyal, Sowmya Srikumar, Viraja.

### Special educator/Parent Volunteers:

Beverly Sujit ,Chantelle Saldana, Gayathri,Haritha Meda,Jaishree Muralidharan, Madhushree Bhat, Meenakshi, Nisha Narayanan, Pavithra, S. Arjun , Savita Sharma Bhardwaj, Sathyabhama Naryanan, Selvarani, Shakkeela Narikkoottungal, Shweta Taneja, Sucharitha Karthik, Suja Varghese, Sunitha R , Rohitesh Sharma , Tinu Anna Sam.

"volunteers don't necessarily have the time, they just have the **HEART**."

~ elizabeth andrew

Thank You  
Volunteers.

# Picture Credit

Slide	URL
Agriculture	<a href="https://images.unsplash.com/photo-1529511582893-2d7e684dd128?ixlib=rb-1.2.1&amp;ixid=MXwxMjA3fDB8MHxzZWFiY2h8M3x8ZmllbGR8ZW58MHx8MHw%3D&amp;auto=format&amp;fit=crop&amp;w=600&amp;q=60">https://images.unsplash.com/photo-1529511582893-2d7e684dd128?ixlib=rb-1.2.1&amp;ixid=MXwxMjA3fDB8MHxzZWFiY2h8M3x8ZmllbGR8ZW58MHx8MHw%3D&amp;auto=format&amp;fit=crop&amp;w=600&amp;q=60</a>
Farming	<a href="https://unsplash.com/photos/HeqXGxnsnX4">https://unsplash.com/photos/HeqXGxnsnX4</a>
Horticulture	<a href="https://images.unsplash.com/photo-1604910606831-256d4906ab64?ixlib=rb-1.2.1&amp;ixid=MXwxMjA3fDB8MHxzZWFiY2h8Mzl8fG1hbmdvfGVufDB8fDB8&amp;auto=format&amp;fit=crop&amp;w=600&amp;q=60">https://images.unsplash.com/photo-1604910606831-256d4906ab64?ixlib=rb-1.2.1&amp;ixid=MXwxMjA3fDB8MHxzZWFiY2h8Mzl8fG1hbmdvfGVufDB8fDB8&amp;auto=format&amp;fit=crop&amp;w=600&amp;q=60</a>
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# Picture Credit

Slide	URL
Cattle rearing	<a href="https://images.unsplash.com/photo-1601975175888-1a73d626964c?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=1916&amp;q=80">https://images.unsplash.com/photo-1601975175888-1a73d626964c?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=1916&amp;q=80</a>
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Cattle rearing_ sheep	<a href="https://images.unsplash.com/photo-1557768440-b4ac5f37cc43?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=975&amp;q=80">https://images.unsplash.com/photo-1557768440-b4ac5f37cc43?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=975&amp;q=80</a>
Cattle breeding	<a href="https://images.unsplash.com/photo-1596293646302-da94cd4e4bac?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=1901&amp;q=80">https://images.unsplash.com/photo-1596293646302-da94cd4e4bac?ixlib=rb-1.2.1&amp;ixid=eyJhchBfaWQiOjEyMDd9&amp;auto=format&amp;fit=crop&amp;w=1901&amp;q=80</a>
Coal mining	<a href="https://www.thenewsminute.com/article/we-struck-gold-coal-mine-telanganas-coal-mining-districts-kcr-god-92106">https://www.thenewsminute.com/article/we-struck-gold-coal-mine-telanganas-coal-mining-districts-kcr-god-92106</a>

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Slide	URL
Oil industry	<a href="https://cdn.pixabay.com/photo/2017/04/05/16/28/oil-rig-2205542_1280.jpg">https://cdn.pixabay.com/photo/2017/04/05/16/28/oil-rig-2205542_1280.jpg</a>
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Type of E-Commerce	
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