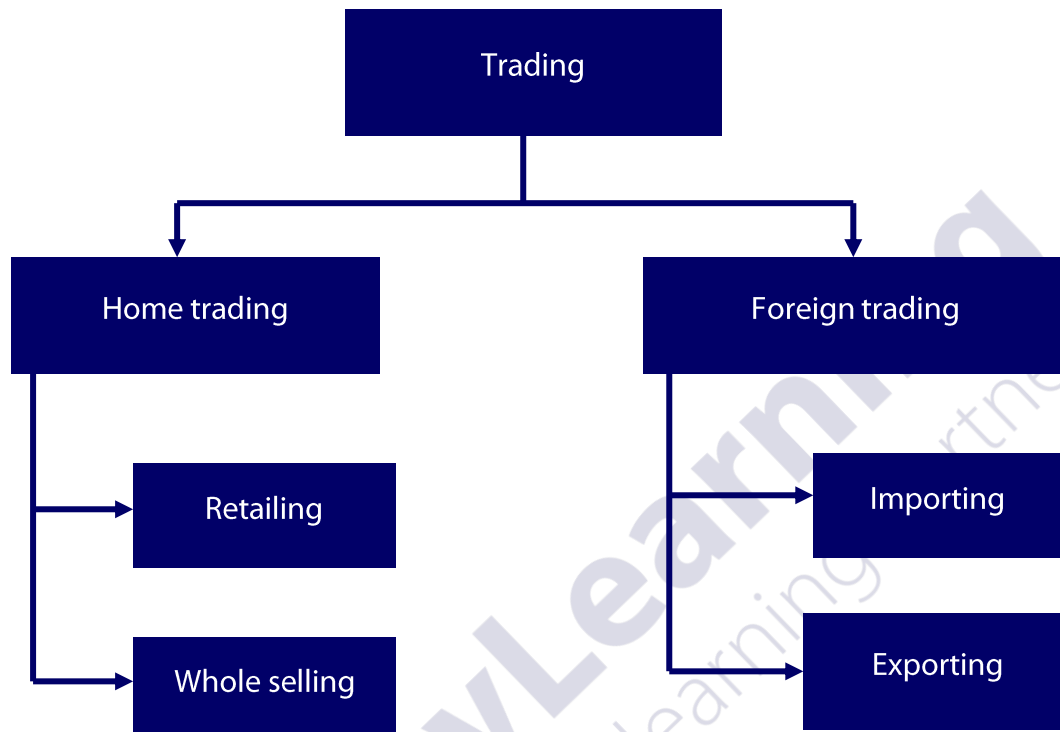


# Trading

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## 1. Trading

We can identify trading as the ownership of the good is transferred from one person to another. Goods are exchange for a price.

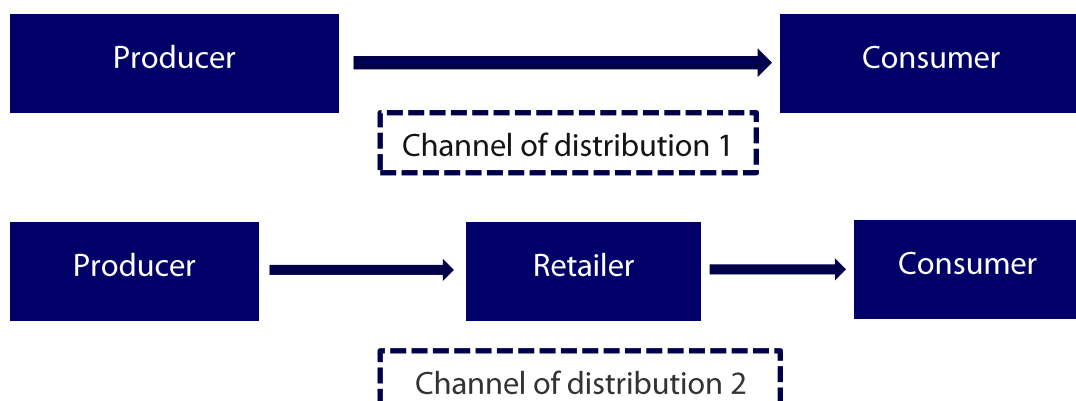


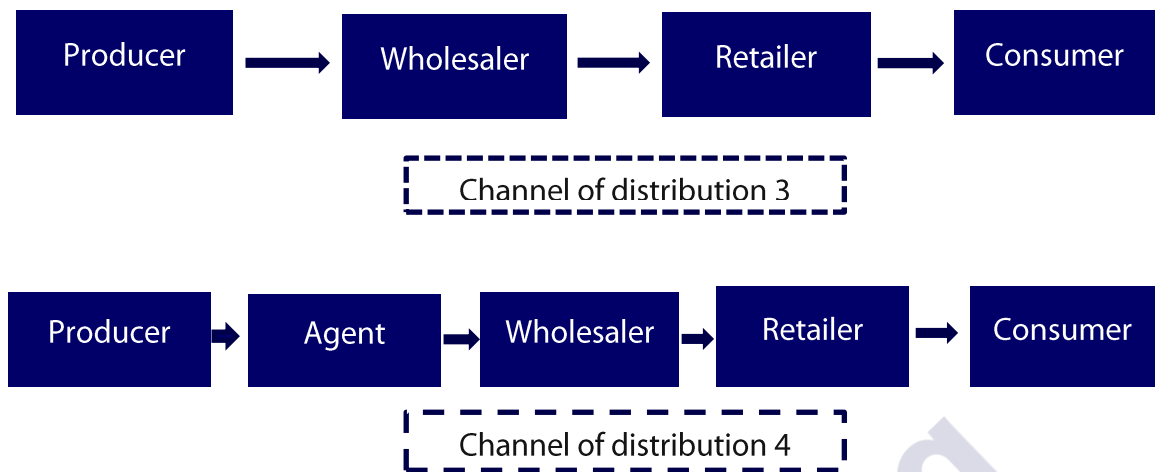
### 1.1. Foreign Trading

Purchasing goods/services from foreign countries is importing. Selling goods and services to foreign countries is exports. Imports cause foreign exchange outflow from the country while export helps to earn more foreign exchange. Imports and exports are directly under the supervision of the government and authorities.

### 1.2. Home Trading

Home trading is good and services being traded within the country. Channels for distribution for consumption goods are shown in the following figure.





The above figure shows the various middlemen in distributing products to the customers from the producer. Channel of distribution 1 is where the producer directly distributes goods to the customers. This is called direct selling.

- **Retailer**

Retail is the sale of goods and services from individuals or businesses to the end user. Retailing can be done in either fixed locations like stores, markets, door to door or by delivery.

- **Wholesalers**

Wholesalers are persons or firms that buy large quantity of goods from various producer and resells to retailers. They buy, sell, store, transport, conduct market research, grade and classify goods, finance and promote goods in the trading market.

- **Agents/ Brokers**

Unlike wholesalers, agent middlemen do not take legal ownership of the goods they sell, nor do they generally take physical possession of them. They act on behalf of the producer or wholesaler or even a retailer. They meet the customers, discuss and encourage them to buy the product. The agent gets a commission.