

## UNIT 1 : COMMERCE AND ITS BRANCHES

### TEXT 2 : what is commerce

#### BRAINSTORMING

##### *Picture interpretation*

*Look at the picture below and answer the following questions*



1. What can you see in this picture ?

.....

2. What type of situation or activity is it ?

.....

3. Is that activity really important to our life ?why or why not ?

.....

#### I) READING COMPREHENSION

##### A- SKIMMING

**ACTIVITY 1** : Read the text quickly and complete this sentence, then justify your answer

*The text is about :.....*

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### What is commerce?

Commerce in its broadest sense is the wide and complex field of economic activity concerned with the buying and selling of goods and their movement from producers to consumers. Marketing assures the distribution of goods, carrying raw materials from the producer to the manufacturer who transforms them into semi-finished and finished articles. The latter are sold various traders who resell them to consumers. Trade is the essential part of commerce; it includes only the buying and selling of goods.

What are the different branches of commerce?

Commerce includes trade and certain specialized activities auxiliary to trade. Industry may also be considered as a branch of commerce, since the manufacturer who buys raw materials from the producer and sells the finished articles is a trader. Commodity exchanges and Stock exchanges, where goods and securities are bought and sold, may equally be regarded as an integral part of commerce.

A-Transport, which is the work involved in moving goods from their place of manufacture to their place of consumption.  
B-Banking which provides money to meet the needs of industry and trade, and holds in trust for the bank's customers.  
C-Insurance, which covers possible risks.  
D-Warehousing, which provides storage for goods.  
E-Advertising, which makes goods known to the public.

What are the main branches of trade?

A-Home (or domestic) trade, which is carried on inside a country.  
B-Foreign (or overseas) trade which is carried on with foreign countries; and involves transit trade when goods cross one country on their way to another.

What are the two categories of home trade?

A-Wholesale trade, in which goods are sold in large quantities. The wholesaler is a middleman who buys goods in bulk from a

K.K.A.

**Activity 2 : words explanation**

***Read the text again and find in it words whose definitions listed below.***

1-branch of manufacturers or production

.....

2-place where stock and shares are publicly bought and sold

.....

3-documents or certificates showing who owns stock, shares,

.....

4-article, product or material that is exchanged in international trade

.....

5-business of running a bank

.....

6-contract made by a company...to provide a guarantee of compensation for  
loss, damages, sickness, in return for regular payment

.....

**B- EFFECTIVE READING**

**Activity 1 : read the text once more and say if the following statements are  
true or false, then justify your answer**

1-Home trade is the same as foreign

Trade.....

2-transit trade is different from foreign

Trade.....

3-in wholesale trade, goods are stored in bulk and sold to the

Retailer.....

4-the final customers give their opinions and make suggestions about goods  
sold.....

5-wholesale trade and retail trade are part of foreign

.....

6-An importer and exporter work in the field foreign trade

.....

**Activity 2 : now read the text and answer the following questions**

1-what kind of activity is commerce ?

.....  
.....

2-where are goods bought and sold ?

.....  
.....

3-how do goods move from producer to consumer ?

.....  
.....

4-what is the advantage of marketing ?

.....  
.....

5-is trade the same as commerce ?

.....  
.....

6-which traders resell articles produced consumers ?

.....  
.....

7-what are the activities auxiliary or helping trade ?

.....  
.....

8-what is the importance of commerce ?

.....  
.....

9-are traders intelligent when they sell goods at a price higher than they paid ?

.....  
.....

10-what will happen is a trader sells at a loss ?

.....  
.....

11-what is profit ?

.....  
.....

12-what is the difference between the gross profit and net profit ?

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.....  
.....  
13-how can we know the profit made in trade ?  
.....

## II) LANGUAGE USE

Use the following words to fill in the gap in the following sentences. make sure that your sentences make sense. some words are synonyms

- 1-Trade that takes place inside a country is .....trade
- 2-selling goods in large quantities is .....trade
- 3-trade carried on with foreign countries is .....trade
- 4-when goods come from a foreign country, it is .....trade
- 5-selling by the pieces is .....trade
- 6-domestic trade is synonym to .....trade