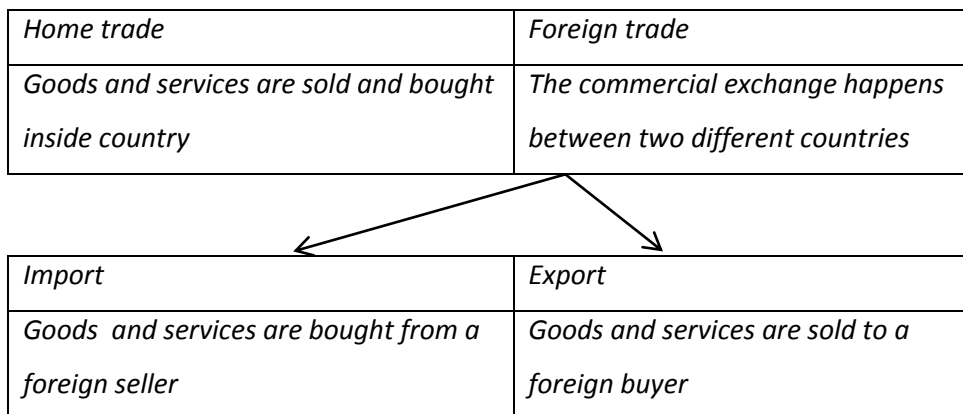


### 1/ Commerce and trade

- *Difference between commerce and trade*

<i>Commerce</i>	<i>Trade</i>
<i>General term used to describe the sale and distribution of goods and services</i>	<i>It is the commercial activity of buying and selling goods and services.</i>

### 2/ Trade is divided into:



### 3/ Four channels of distribution

- *From manufacturer to consumers*

<i>manufacturer</i>	<i>wholesaler</i>	<i>Retailer</i>	<i>consumer</i>
<i>Who produces</i>	<i>who sells wholesale</i>	<i>Who sells by the cut</i>	<i>consumer</i>

- 1- *From the manufacturer to the consumer: the consumer buys goods and services directly from the producer, via Internet.*
- 2- *From the manufacturer to the consumer through a wholesaler, a business who buys large quantities of goods*
- 3- *From the manufacturer to the consumer through a retailer, a business who buys small quantities from wholesaler.*
- 4- *From the manufacturer to the consumer, via retailer.*

**4/ The organization of Business:** there are six types of business organization:

**1\* sole trader:** a business is owned and operated by just one person who is entirely for his own business debt, that is to say he has unlimited liability.

**2\* Partnerships:** it is a group of two or more people who own and run a business together. The partners contribute to the initial capital and share the responsibility for managing the business.

**3\* limited companies:** is formed by two or more shareholders, who have shares in the company. Any profit are divided among them in proportion to the amount they have invested (dividends)

**4\* cooperatives:** are business organizations where all the employees have a vote ( no member can dominate), all the members help in running of the company and share the profits.

**5\* multinationals:** are businesses that produce in more than one country, but have there headquarters in just one.

### 5/ The growth of business

<i>Internal growth</i>	<i>External growth</i>
<i>When businesses can expand producing more, buying more equipment or opening more shops.</i>	<i>When businesses can expand in a number of ways:</i> <ul style="list-style-type: none"> <li>- <i>Merges</i></li> <li>- <i>Takeovers</i></li> <li>- <i>Acquisitions</i></li> <li>- <i>Joint ventures</i></li> </ul>

<i>Merges</i>	<i>When two businesses agree to joint together (merger)</i>
<i>Takeovers</i>	<i>When one large business buys a small business ( takeover)</i>
<i>Acquisitions</i>	<i>When a business buys a part of another business.</i>
<i>Joint venture</i>	<i>When a business formed by two or more companies which agree to start anew project together</i>