

## Chapter – 24

### Retailing

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#### I. Choose the Correct Answer

**Question 1.**

Retailers deal in ..... quantity of goods.

- (a) Small
- (b) Large
- (c) Medium
- (d) Limited

**Answer:**

- (a) Small

**Question 2.**

Small scale Fixed retailers include .....

- (a) General stores
- (b) Pedlars
- (c) Cheap Jacks
- (d) Hawkers

**Answer:**

- (a) General stores

**Question 3.**

Small shops which deal in a particular line of products are called as .....

- (a) Market traders
- (b) Single line stores
- (c) Sugar market
- (d) Street stalls

**Answer:**

- (b) Single line stores

**Question 4.**

..... are mobile traders Who deal in low priced articles with no fixed

place of business.

- (a) Shopping malls
- (b) Supermarkets
- (c) Street stalls
- (d) Itinerant traders

**Answer:**

- (d) Itinerant traders

## II. Very Short Answer Questions

**Question 1.**

What is Retailing?

**Answer:**

Retailing is the process of selling goods and services directly to the ultimate consumers in small quantities.

**Question 2.**

State the meaning of multiple shops.

**Answer:**

A number of identical retail shops with similar appearance normally deal in standardised and branded consumer products established in different localities owned and operated by manufacturers or intermediaries are called Chain stores or Multiple shops.

**Question 3.**

Mention any two benefits of Vending machines.

**Answer:**

1. Vending machines are placed at a convenient location.
2. The buyer himself inserts the coin or the token and receives the quantity of the product from the machine.

**Question 4.**

What are specialty stores?

**Answer:**

Specialty Stores deal in a particular type of product under one product line only. For example, Sweets shop specialised in Tirunelveli Halwa, Bengali Sweets, etc.

### **III. Short Answer Questions**

**Question 1.**

Explain the features of general stores.

**Answer:**

General Stores sell a wide variety of products under one roof, most commonly found in a local market and residential areas to satisfy the day-to-day needs of the customers residing in nearby localities. For example, a provision store deals in grocery, bread, butter, toothpaste, soaps, washing powder, soft drinks, confectionery, stationery, cosmetics, etc.

**The following are the main features of general stores:**

- They remain open for long hours at convenient timings.
- Often provide credit facilities to their regular customers.

**Question 2.**

Give any four points of distinction between the hire purchase system and the installment system of selling.

**Answer:**

**Hire Purchase System:**

- It is a system by which the seller agrees to sell the articles to the buyer on the condition that the payment of the article will be made in a fixed number of installments till the sale price is paid.
- Though the buyer gets possession of the goods immediately on signing the contract the ownership does not pass on till the payment of the last installment.

- The buyer prefers to pay a lump sum or a part of the price initially i.e., down payment and the balance in installments as per the contract.
- The seller continues to be the owner of the article till then.

### **Installment System:**

- Installment system is a type of purchase in which the price amount of the product is not paid initially but in installments.
- Title or ownership of articles as well as possession is passed on to the buyer as soon as the first installment is paid.
- It is also called a deferred payment system.
- On default of payment, the seller cannot seize the article but recover the dues through the court.

### **Question 3.**

Explain the characteristics of supermarkets.

### **Answer:**

**The important characteristics of a supermarket are listed below:**

- Supermarkets are generally situated at the main shopping centres.  
The goods kept on racks with the clearly labelled price and quality tags in such stores,
- The customers move into the store to pick up goods of their requirements, bring them to the cash counter, make a payment, and take-home delivery.
- The goods are sold on a cash basis only. No credit facilities are made available.
- Supermarkets are organised on a departmental basis.
- It requires a huge investment.

### **Question 4.**

What is meant by 'mail-order retailing'?

### **Answer:**

Mail order houses are the retail outlets that sell their merchandise through

mail. There is generally no direct personal contact between the buyers and the sellers in this type of trading.

## **IV. Long Answer Questions**

### **Question 1.**

State the features of Departmental stores.

#### **Answer:**

#### **Meaning:**

A Departmental Store is a large retail establishment offering a wide variety of products, classified into well-defined departments. Each department is like a separate shop with centralised purchasing, selling and accounting.

Features of Departmental Store:

#### **Large Size:**

A department is a large scale retail showroom requiring a large capital investment by forming a joint-stock company managed by a board of directors. There is a Managing Director assisted by a general manager and several department managers.

#### **Wide Choice:**

It acts as a universal provider of a wide range of products from low priced to very expensive goods (Pin to Car) to satisfy all the expected human needs under one roof.

#### **Departmentally organised:**

Goods offered for sale are classified into various departments. Each department specializes in one line of products and operates as a separate unit.

#### **Facilities provided:**

It provides a number of facilities and services to the customers such as restaurants, restrooms, recreation, packing, free home delivery, parking, etc.

#### **Centralised purchasing:**

All the purchases are made centrally and directly from the manufacturers and

operate separate warehouses whereas sales are decentralised in different departments.

### **Question 2.**

What is meant by Consumer Cooperative Store? Explain its merits in brief.

#### **Answer:**

A consumer cooperative store is a retail organization owned, managed, and controlled by the consumers themselves to obtain products of daily use at reasonable low prices. Its objective is to eliminate profits to middlemen by establishing direct contact with the manufacturers.

People belonging to middle and low-income groups, at least 25 persons have to come together to form a voluntary association, and get it registered under the Cooperative Societies Act. The capital of a cooperative store is raised by issuing shares to members. The management of the store is democratic and entrusted to an elected managing committee, where “one man one vote” is the rule.

The cooperative stores are very famous in Tamil Nadu. For example, Kamadhenu and Chinthamani cooperative supermarkets in Chennai, Karpagam in Vellore, etc.

### **Question 3.**

Describe the role of chambers of commerce in the promotion of internal trade.

#### **Answer:**

#### **Role of Associations or Chambers**

- **Transportation or inter-state movement of goods:** The Chambers facilitate registration of vehicles, surface transport policies, construction of highways and roads in promoting an interstate movement of goods.
- **Harmonisation:** CGST and SGST structure.

- **Marketing of agro products and related issues:** The associations of agriculturists and other federations interact with farming cooperatives to streamline local subsidies and formulate marketing policies for selling agro products.
- **Weights and measures and prevention of duplication of brands:** They help the Government in formulation and implementation of uniform policies in weights and measures and prevention of duplication of brands.
- **Promoting sound infrastructure:** They interact with Government to construct roads, ports, electricity, railways, etc.
- **Labour legislation:** They interact with the Government on regular basis and the issues related to labour laws, retrenchments, compensation, etc. so that the industry can run efficiently, generate employment, and achieve maximum productivity.