

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

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### INTERNAL TRADE

*Question 3:*

What purpose is served by wholesalers providing warehousing facilities?

**ANSWER:**

Wholesalers purchase goods in bulk from manufacturers, store them and distribute them to retailers in small quantities for further resale. This bulk purchase of goods enables manufacturers to undertake production on a large scale without worrying about storage facilities. By offering warehouses close to the centres of distribution, wholesalers provide what is known as 'place utility'. Wholesalers not only provide warehousing facilities such as collection, storage and protection of goods but also facilitate marketing and distribution, creating 'time utility'.

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*Question 4:*

How does market information provided by wholesalers benefit the manufacturers?

**ANSWER:**

Wholesalers provide a variety of information to both manufacturers and customers. To manufacturers, they provide information about the tastes and preferences of customers, conditions prevailing in the market, level of competition in the market and types of goods and features demanded by consumers. This information helps manufacturers to cater to the changing needs of consumers.

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*Question 5:*

How does the wholesalers help the manufacturer in availing the economies of scale?

**ANSWER:**

Wholesalers often purchase goods in bulk quantities from manufacturers. Once a purchase is made, the wholesalers distribute the goods in small quantities to retailers for further resale. However, during this process, they provide manufacturers with a variety of warehousing facilities such as collection, storage, marketing and distribution of goods. These services reduce the burden on manufacturers by creating time and place utility, thus enabling them to produce goods on a large scale and benefit from the economies of scale.

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