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**2020/2021**

**Subject: English Language**  
**Grade: 2<sup>nd</sup> Year LMD Commercial Sciences**

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**Groups: (4, 5, 6, 10, 11, 12)**

**Lesson 1:**  
**An Overview on Commerce Vocabulary**

**1/ Trade Vs Commerce:**

Commerce is described as the effective process of exchanging products or services using some monetary aspect as well as the logistics (steps and activities). These logistics include getting the raw materials and transforming them into usable products and services (industry), then pricing, storing, distributing, advertising, selling, making financial facilitation or insurance possibilities and transporting them. Trade is a transaction of selling and buying goods and services for money or its equivalent.

➤ **Comparison**

Commerce is responsible for facilitating the exchange of goods and services, whereas trade means only buying/purchasing and selling goods or services. Commerce is the whole process and trade is a part within this process.

➤ **Example:**

In order to better understand what is exactly the difference between trade and commerce, let us take the example of “Mega Bakery” (a baking shop which bakes and deliver bread and other baked products to their customers). So, **commerce** for this baking shop would be the process of exchanging its baked products for money, in addition to the other logistics of getting the raw materials (flour, salt...) to the bakery, producing bread and other baked items, giving them a price, storing them, advertising them,...till the step of distributing the finished product (bread) to their customers and clients. In this example, **trade** is when Mega

Bakers sells a loaf of bread to its customer(buyers) and in exchange, the customer pays Mega Bakers for the bread.

## 2/ Terminology:

- **Product/Goods:** a tangible/touchable item (commodity) that is produced from raw materials to be sold and used
- **Services:** intangible/ untouchable products such as banking that are created to be sold and to satisfy a demand. They cannot be stored or transported
- **Customer/Client:** a party that receives or buys products or services
- **Consumer:** a purchaser/buyer or an end user of goods or services.
- **Buyer/Purchaser:** a person, an organisation, a company or an institution that buy products or services
- **Purchasing/buying manager:** someone in a company who is responsible for buying goods that the company uses or sells.
- **Seller/Vendor:** a person, an organisation, a company or an institution that sells something.
- **Transaction:** it is an agreement or a contract of exchanging goods or services between a seller and buyer