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## DEVELOPMENT OF TRADE & COMMERCE IN INDIA ON ACCOUNT OF INTERCONTINENTAL COMMUNICATION

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### **ABSTRACT**

*Trade and trade played a key role in making India a major player in the old economic world. Archeological evidence has shown that trade and trade were at the heart of ancient India's water and land economy. Each business is said to be an attempt on the part of businessmen to gain more than was spent or invested, that is, profits that is the excess income over cost. However, today it is becoming increasingly clear that companies are in the society and have to achieve several goals, including social responsibility, in order to continue to survive and prosper. Profit is a leading, but not the only, objective. While profit can not be the only goal of the company, we can not overlook the importance of profit. Each company is trying to make more money than was invested and profit is over cost. For various reasons profit may be considered as an essential goal in the business: I income for business people; (ii) finance for business expansion needs; (iii) efficient business functions; (iv) company consent; corporate utility; and (v) business business enterprise 's reputation as a corporate enterprise; and (iii) corporate business enterprise enterprise.*

**Keywords** development of trade , commerce in india

### **INTRODUCTION**

In order to meet their needs, all people, no matter where they are, need different types of goods and services. The need to provide goods and services led people to undertake certain activities to produce and sell what other people need. Business is an important economic activity in all modern societies in the production and sale of people's goods and services. The aim is to earn money through meet the demands of people for goods and services. Our lives

are centred on business. Whereas many other institutions, such as schools , colleges, hospitals, political parties and religious bodies, influence our lives, businesses are of great importance in our everyday lives. Consequently the concept, nature and purpose of business is important to us.

### **History of Trade and Commerce**

Any land depends on its physical environment for economic and commercial development. This is true of the entire Indian subcontinent, which is bordered by water to the south by Himalayas to the North. A network of roads that merge into the Silk Route have helped establish commercial and political contacts, in particular in Asia and the world. The sea routes connected east and west by sea and were used for the spicy trade and were referred to as the spice route. The flow of wealth through these routes has led to flourishing of the chief kingdoms, major trading centres and the industrial belt which in turn has made it more easier to develop in ancient India domestic and international trade. Trade and trade played a key role in making India a major player in the old economic world. Archeological evidence has shown that trade and trade were at the heart of ancient India's water and land economy. The third millennium B.C. was established in the commercial towns such as Harappa and Mohenjodaro. Commercial links with Mesopotamia have been established in the civilization and traded in gold , silver , copper, pearls, beads, shells, terracotta pots etc.

### **Indigenous Banking System**

Due to its durability and divisibility, metals began to complement other commodities as money. The introduction of metallic money and its use accelerated economic activities as money served as the medium of exchange. Documents like Hundi and Chitti were used in transactions where money went hand in hand. Hundi was a prominent tool of exchange in the subcontinent. It involved a contract that guarantees the payment of money, promise or order (ii) that is capable of change through valid transfers. In the lending and financing of domestic and foreign trade with currency and letters of credit, the Indigenous Banking System was prominent. With the evolution of banks, precious metals were deposited with creditors working as creditors.

<b>Hundi as practised by Indian Merchaant Communities</b>		
<b>Name of Hundi</b>	<b>Broader Classification</b>	<b>Functions of Hundi</b>
<i>Dhani-jog</i>	<i>Darshani</i>	Payable to any person—no liability over who received payment.
<i>Sah-jog</i>	<i>Darshani</i>	Payable to a specific person, someone 'respectable'. Liability over who received payment.
<i>Firman-jog</i>	<i>Darshani</i>	<i>Hundi</i> made payable to order.
<i>Dekhan-har</i>	<i>Darshani</i>	Payable to the presenter or bearer.
<i>Dhani-jog</i>	<i>Muddati</i>	Payable to any person—no liability over who received payment, but payment over a fixed term.
<i>Firman-jog</i>	<i>Muddati</i>	<i>Hundi</i> made payable to order following a fixed term.
<i>Jokhmi</i>	<i>Muddati</i>	Drawn against dispatched goods. If goods lost in transit, the drawer or holder bears the costs, and the Drawee carries no liability.

Bankers and Seths, money has become a way of delivering more goods to manufacturers.

Agriculture and animal domestication were significant elements of ancient people's economic life. Because of the favourable weather, two or sometimes three plants could be planted every year. Moreover, they were able to generate surpluses and savings for further investment by using weaving cotton, fine tinting fabrics, making pots of clay, articles and crafts, sculpting, the cottage industry, masonry, production, transport (i.e. carts, boats, ships) etc.

Workshops were prominent (Karkhana) where qualified craftsmen worked and turned raw materials into high-demand finished products. In practise and properly followed, family-based learning systems were developed to gain trading skills. Handicraftsmen, craftsmen and skilled workers of various kinds have learned and developed skills and knowledge passed on from generation to generation.

## **Rise of Intermediaries**

In promoting business, intermediaries have played an important role. By taking responsibility for the risks involved, in particular in the external trade, they gave manufacturers considerable financial security. It included both wholesale and retail commission agents, brokers and distributors. An increasing trade led to enormous amounts of silver bubbling in Asia and much of that bubbling in India.

## **TRANSPORT**

In ancient times, land and water transport was popular. Both land and sea have maintained trade. Roads as a communication instrument have assumed major relevance throughout the growth process, especially for domestic trade and land-based trade. The road to the north originally extends from Bengal to Taxila. Trade routes spread east and west in the south too. Structurally wide trading paths were appropriate for speed and safety. Another important branch of the global commercial network was maritime commerce. Located on the Malabar Côte, on the Muziris, international maritime trade has a lengthy history dating back to the Roman Empire. In the Roman Empire pepper was especially valued as 'Black Gold.' The route of that trade has continued for centuries to be dominated by rivalries and conflicts between various empires and commercial powers. The trip to India led to Columbus' discovery of America in the closing days of the fifteenth century and to Vasco da Gama on the banks of Malabar in 1498. The trip was a complete alternative.

## **Trading Communities Strengthened**

Various communities have dominated trade in various parts of the country. Mercantiles in the northern region were handled by Punjabi and Multani while trade in the states of Gujarat and Rajasthan was managed by the Bhats. These groups have been called Mahajan in western India and Chatt is a major trader from the south. The Mahayan community, collectively represented in urban centres like Ahmedabad by its leader named Nagarseth. Other have been other urban groups, like hakim and vaid (physicians), wakil (laws), pundit or mulla (teachers), artists, artists, calligraphers ....

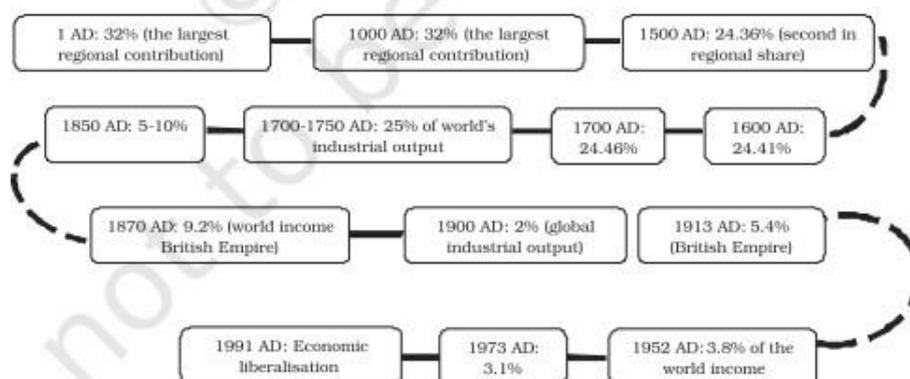
## Merchant Corporations

The commercial community also derived power and prestige from guilds formed to protect the traders' interests. These corporations, formally organised, framed their own membership rules and professional conduct code that even kings should accept and respect. Taxes on trade and industry were also a major source of income. Traders had to pay grant duties at varying rates for most imported items. Either cash or in kind were paid. The customs duties varied by commodity. Province by province, rates varied. Another source of revenue generation was the ferry tax. Passengers, goods, bovine animals and carts needed to be paid. The right was usually transferred to local authorities to receive labour tax. The head of the guild handled the King or tax collectors directly and paid a fixed sum of money on behalf of his fellow traders. The guild merchants were also responsible for religious interests. They undertook to build temples and donate to their members with the collection of a corporate tax. Big merchants thus gained power within society through commercial activity.

## POSITION OF INDIAN SUBCONTINENT IN WORLD ECONOMY ( 1 AD UP TO 1991)

It is estimated that India will be able to control around one third and one-fourth of the world's wealth (timeline) between the 1st and 7th century CE. In the texts of many travellers like Megasthenes, Faxian (Fa Hien), Xuanzang (Hün Tsang), Al Beruni (11th century), Ibn Batuta (11th century), Frenchman Francois (17th century) and others, the country was often referred to as 'Swaranbhumi' and 'Swarndweep.' It's all about the country's success repeatedly. Source: Angus Maddison (2001-3), World Economy: A Millennial Outlook, OECD, Paris; Angus Maddison, The World Economy, Historical Statistics Indian Economy, made Europeans take a great journey of discovery. The pre-colonial period of the Indian history was a time of prosperity in Source. They came to pillage initially, but they soon paid for the gold and silver trade. In spite of the growing business sector, it is obvious that, in technology, innovation and ideas, the Indian 18th century was far behind Western Europe. As the East India Company became more dominant, caused by a lack of freedom and no Agricultural and Scientific Revolution, limited reach of mass education, population growth, or machinery preference, India became a rich country, but poor people. In the mid-18th century, the British

Empire became established in India. The East India Company has generated revenues from Indian commodities, spices and goods by the provinces under its rule. The ongoing inflow therefore



### India begins to Reindustrialise

The process of economic reconstruction began after Independence, and India started central planning. In 1952, the first five-year plan was introduced. Modern industries, modern technological and scientific institutes, nuclear and space programmes have been given due importance. The Indian economy has not been able to develop rapidly despite these efforts. The main reasons were lack of capital formation, an increase in population, enormous defence expenditure and poor infrastructure. India therefore relied heavily on foreign borrowing and finally decided to liberalise economically in 1991. The Indian economy is now a favourite destination for the FDI and one of the fastest growing economies in the world. Incoming decades will ensure rising incomes, savings, investment opportunities, higher home consumption and a younger population. The high growth sectors, which are likely to grow rapidly in the world, have been identified; the Government of India, for example, is expected to support export and import and trading balance economic initiatives, such as 'Make in India,' 'Digital India' and the implementation of a foreign trade policy ([FTP 2015-20](#)).

## **NATURE AND CONCEPT OF BUSINESS**

### **CONCEPT OF BUSINESS**

The term "company" comes from "commercial." Business therefore means to be busy. In a particular sense, however, the business refers to an activity in which people regularly engage in business in order to make profit from buying, manufacturing and/or selling goods and services. The business may consist of manufacturing or buying products to be sold, or exchanges of goods or the provision of services in order to meet other people's needs. We can earn our living by doing so, while non-economic activity comes from love, compassion, feeling, patriotism, etc. For instance, an employee who works in a factory, an office manager or a school teacher earn their living and thus take up economic activity, a doctor who is in his clinic. On the other hand, a housewife who serves their family's food or a boy who helps an old man to get through the road does non-economic work, as they do it out of love or friendship. In addition, economic activity may be divided into three categories, business, occupation and employment. Business People undertake different activities in every society to meet their needs.

These activities can be divided into two broad groups – economic and non-economic. We can earn a living from economic activity, whereas non-economic activity is carried out through love, sympathy, feelings, patriotism, etc. For example, a factory worker, a doctor in his clinic, a manager who works in a bureau and a teacher at a school earn a living and therefore engage in economic activities. On the contrary, a housewife who cooks food for her family or a boy who helps an elderly man cross the road does not do any economic activities because they do this out of love or sympathy. In addition, economic activities can be divided into three categories: business, profession and jobs. Business can be defined as an economic activity involving the production and sale of goods and services for the benefit of society by meeting human needs.

## Characteristics of Business

Activities The nature of business, or its fundamental character, should be explained in terms of its characters, in order to see how business activity differs from other social activities.:

**An economic activity:** Business is considered to be business because it is carried out with the goal of earning money or subsistence and not for love, affection, sympathy or any other emotion. This activity can be carried out either at small and private level (e.g. by a shopping agent purchase and sale), or on a wider scale on a much more formal and organised basis (purchase and sale by a cooperative company). This activity is possible at a large level.

**Production or procurement of goods and services:** They must be manufactured or purchased by business enterprises before goods are offered to people for consumption. Each company produced the products it handles or acquires from producers for further sale to consumers or users. Each company therefore produced the products. The goods may include consumer goods, such as sugar, ghee, pen, notebook, etc., or capital goods, such as mechanical equipment, furniture, etc. Services may include facilities offered in the form of transport, banking, electricity, etc.

**Sale or exchange of goods and services:** The transfers or exchanges of goods and service are for value directly or indirectly. If goods are produced not for sale but for personal consumption, they can not be referred to as commercial activities. The cooking of food at home for the family is not business but it is a business to cook food and to sell it to others. A key characteristic of the company is therefore that the seller and the purchaser should sell or exchange products or services.

**Dealings in goods and services on a regular basis:** Commercial activities involve dealing regularly with goods or services. Therefore, no business constitutes a single sales or purchases transaction. There is, for instance, no business activity if someone sells his or her domestic radio even for profits. If he / she regularly sells radio sets through a shop or a residence, however, it is considered an enterprise..

## Industry

Industry refers to economic activities related to resource conversion into goods. The term industry is generally used for activities involving mechanical and technological equipment. These include the production or processing of goods, as well as breeding and animal husbandry. The term industry also refers to groups of companies that produce like or connected goods. The cotton textile industry, for example, refers to all production units producing cotton textiles. Similarly, all companies producing electronic products, etc., would include the electronic industry. Furthermore, some services, such as banking and insurance, are commonly known as industry, such as banking, insurance, and so forth. Industries can be divided into three main, secondary or tertiary categories.

**(i) Primary industries:** These include all activities related to natural resource extraction and production and the reproduction and development of living organisms, plants, etc. These are divided accordingly.

**(a) Extractive industries:** These industries are using natural sources to extract or draw products. Extractive industries supply basic raw materials which are predominantly natural and geographical products. These industries' products are usually transformed by manufacturing industries into many other goods. Agriculture, mining, woodwork, hunting and fisheries are important industries..

## OBJECTIVES OF THE STUDY

1. Study on Indigenous Banking System
2. Development Of Trade & Commerce In India On Account Of Intercontinental Communication

## CONCLUSION

The term 'company risk' means the possibility of inadequate profits or even losses due to unexpected events or uncertainties. As a result of changes in tastes and preferences of consumers or increased competition from other producers, for instance, the need for a particular product may decrease. Lower demand leads to long and profitable sales. The shortage of raw materials may increase its price in a different situation. The company that uses these raw materials must pay more for their purchase. As a result, production costs can be increased and profits can be reduced in turn. Businesses face two types of risk constantly: pure and speculative. The potential for gains and losses involve both speculative risks. Changes in market conditions, including fluctuations in demand and supply, price changes or change in the mode and tastes of customers entail speculative risks. Favorable market conditions can lead to gains whereas unfavourable market conditions can lead to losses. Only loss possibility or no loss entails pure risks. Examples of pure risk are the possibility of fire , theft or strike. This can lead to loss, whereas non-occurrence may lead to loss, rather than gain..

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