

**Class 11<sup>th</sup> | Business study**



## **Unit : 1**

# **Nature and Purpose of Business**

**Lecture - 08**



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# HISTORY OF TRADE & COMMERCE

Principal + Interest

- The emergence of credit transactions and availability of loans and advances enhanced commercial operations.
- Indigenous banking system benefitted the manufacturers, traders and merchants with additional capital for expansion and development. Later on commercial and Industrial bank provided finance for trade and commerce and agricultural bank provided both short term and long term loans to agriculturists.
- Many leading trade centres developed in ancient India for export and Import of goods, Some of the common trade centres were-

An Indian is engaged in manufacturing of leather belts. But he has to buy leather from China.

- ① Import.
- ② Entrepot
- ③ Bank.

# HISTORY OF TRADE & COMMERCE


- **Patliputra:** Known as Patna today. It was not only a commercial town, but also a major centre for export of stones.
- **Peshawar:** It was an important export centre for wool and for import of horse. It had huge commercial transactions between India, China and Rome.
- **Taxila:** It was a major centre of land route between India and Central Asia. It was also a city of financial and commercial banks. It was a place of Buddhist centre of learning. The famous Taxila university flourished here.
- **Indraprastha:** It was a commercial junction on Royal Road. Where most routes leading to east, west, south and north converged. (Delhi)



# HISTORY OF TRADE & COMMERCE

- **Mathura:** It was an emporium of trade. Many routes from South India touched Mathura and Bharuch.
- **Varanasi:** It grew as major centre of textile industry and became famous for beautiful gold silk cloth and sandalwood workmanship. It had link with Taxila and Bharuch.
- **Mithila:** Mithila established trading colonies in South China especially in Yunnan.
- **Ujjain:** Agate, carnelian, muslin and mallow cloth were exported from Ujjain to different centres.

# HISTORY OF TRADE & COMMERCE

- **Surat:** Textile of Surat were famous for their gold border (zari). Surat's hundis were honoured in far off markets of Egypt and Iran.
  - **Kanchi:** Here Chinese used to come in foreign ships to purchase pearls, glass and raw stones and in return they sold gold and silk.
  - **Madura:** It was the capital of Pandayas. It attracted foreign merchants particularly Romans for carrying out overseas trade. (*foreign trade*)
  - **Kaveripatta:** Also known as Kaveripatnam, it was scientific in its construction as city provided loading, unloading and strong facilities of merchandise. It was a centre of trade for perfumes, cosmetic, scents, silk, wool, cotton, corals, pearls, gold and precious stones.
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# HISTORY OF TRADE & COMMERCE

- **Tamralipti:** It was one of the greatest ports connected both by sea and land with west and far east. It was linked by road to Banaras and Taxila.

Road - Banaras & Taxila

Waterways - West & East

Waterways

# HISTORY OF TRADE & COMMERCE

**Major Exports and Imports:** India enjoyed a positive balance of trade where exports always exceed import.

**Major Exports included:** Species, wheat, sugar, indigo, opium, sesame oil, cotton, parrots, quartz, crystals, Lapis, Lazuli granites, turquoise and copper, etc.

**Major Imports included:** Horses, animal products, chinese silk, flax linen, wine, gold, silver, tin, copper, lead, rubies, coral, glass, amber, etc.

↓  
gems



# HISTORY OF TRADE & COMMERCE

## Position of Indian Sub-continent in World Economy (1 AD UPTO 1991) — LPG

- **Between 1st and 7th Centuries:** India was largest economy of the ancient and Medieval World. Controlling about one third and one fourth of the world's wealth. The country was referred to as Swaranbhumis and Swaran deep in writings of many travellers.
- **The precolonial period in Indian History** was an age of prosperity of Indian economy and made the Europeans embark great voyage of discovery. They soon realised the reward of trade in exchange of gold and silver.

# HISTORY OF TRADE & COMMERCE

## Position of Indian Sub-continent in World Economy (1 AD UPTO 1991)

- **Despite of growing commercial sector** India was far behind Western Europe in technology, innovation and ideas. It was due to:
  - Increasing control of East India company causing lack of freedom.
  - No occurrence of agricultural and scientific revolution.
  - Limited reach of education to the masses.
  - All this made India a country which was prosperous but with people who were poor.

# HISTORY OF TRADE & COMMERCE

## Position of Indian Sub-continent in World Economy (1 AD UPTO 1991)

- The British Empire began to take roots in India in the mid 18th century. The East India company used revenues generated by our provinces for purchasing raw materials, spices and goods. This led to stop of inflow of foreign exchange.
- This changed the condition of Indian economy from being an exporter of processed goods to the exporters of raw materials and buyers of manufactured goods.



# HISTORY OF TRADE & COMMERCE

1947 — 1951/52

## India begins to Reindustrialise

After the Independence the process of rebuilding of economy started. When India started Centralised planning:

- First five year plan was implemented in 1951-52, due importance was given to establishment of modern technological and scientific institutions, space and nuclear programmes.
- Despite these efforts Indian economy could not develop at rapid pace, due to lack of capital formation, rise in population, huge expenditure on defence and inadequate infrastructure.



# HISTORY OF TRADE & COMMERCE

1947 - 1991

## India begins to Reindustrialise

- As a result, India relied heavily on borrowings from foreign sources and finally agreed to economic liberalisation in 1991.
- The Indian economy is one of the fastest growing economies in the world.
- Rising incomes, savings, investment opportunities, increased domestic consumption and younger population ensure growth for decades to come.
- The high growth sectors have been identified, which are likely to grow at rapid pace world over.
- The recent Initiatives of government such as 'Make in India', 'Skill India', 'Digital India' and roll out of Foreign Trade Policy (FTP 2015-20) are expected to help economy in terms of exports and imports and trade balance.

# HISTORY OF TRADE & COMMERCE

## Make in India

Make in India is an initiative launched by the government of India on 25th Sept. 2014 to encourage national as well as multinational companies to manufacture their products in India. The major objectives of 'Make in India' initiative are Job Creation and Skill enhancement in 25 sectors of the economy which are as follows:

- Automobile
- Automobile components
- Aviation ✓
- Biotechnology
- Chemicals
- Construction
- Defence Manufacturing
- Electrical Machinery
- Electronic Systems
- Food processing
- Information technology & Business processing Management
- Leather
- Media & Entertainment

# HISTORY OF TRADE & COMMERCE

## **Make in India**

- Mining
- Oil & Gas
- Pharmaceuticals
- Port & shipping
- Railways
- Renewable energy
- Roads & Highways
- Space & Astronomy
- Textiles & Garments
- Thermal Power
- Tourism & Hospitality
- Wellness





**MCQ**

The Hundi which is payable to the holder or bearer is called -

- (a) Firman Jog Hundi
- (b) Darshan Jog Hundi
- ☒ (c) Dhani Jog Hundi
- (d) Nam Jog Hundi



# MCQ

**Maritime routes linked from east to west by sea and were used for trade of spices known as-**

- (a) Silk Route**
- (b) Spice Route**
- (c) Sea Route**
- (d) None of the above**

# MCQ

**Hundi payable on expiry of a fixed period of time to any person is called-**

- (a) Dhani Jog Muddati Hundi**
- (b) Firman Jog Muddati Hundi**
- (c) Sah Jog Muddati Hundi**
- ~~(d) Jokhmi Muddati Hundi~~**

Time

**MCQ**

**Which was not the leading trade centre in ancient India?**

**(a) Peshawar**

**(b) Kanchi**

**~~(c) Lalitpur~~**

**(d) Kaveripatta**

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