# Evolution of commerce

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Subject: Commerce
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# Introduction

Commerce has been in practice since time immemorial. It is part and parcel of human life, whether it is a king or a common man. Commerce has steadily evolved and increased since the start of human civilisation. The evolution of commerce has undergone a number of stages.

# Stages of commerce

- Hunting and gathering
- Pastrolism
- Agriculture
- Handicraft
- Barter system
- Money economy
- Town economy
- International trade

# ***Hunting and gathering***

The earliest stage of human civilization saw primitive man as a wandered who traveled places to find enough food and a safe place to survive. Man hunting animals and gathered fruits,roots and nuts for food and also carried out fishing. They lived in caves or on trees and cover themselves with leaves or animal skin so that they could protect themselves from the sun,wind,rain and snow.  Primitive man was completely dependent on nature. During the stage of hunting and gathering no economic activities took place.



# ***Pastoralism***

In the next stage of evolution ,human civilization Lened on the domestication of animals. Man began tending cattle, sheep and goats to provide themselves with food and clothing. Man still continued to live nomadic life in search of  grasslands and favourable conditions. Although man had moved to another level of development, trade and commerce did not exist.



# ***Agriculture***

The stage of farming and cultivation sowed the seeds of commerce and economic activity. People started settling down in a fixed place living in groups. thus communities and villages came into existence.Members of family distributed among themselves work of growing crops and other household works,thus starting the basic form of division of labour.



# ***Handicraft***

Agriculture leads to development of tool and implement related to farming. People were engaged in tool making and the construction of houses. This gave birth to a number of skilled craftsmen. These craftsman or artisans included potters ,blacksmiths, weavers ,mason and carpenters.The artisans supplied their specialised services and goods to the agriculturists in exchange of certain requirements.This gave rise to the barter system of exchange.



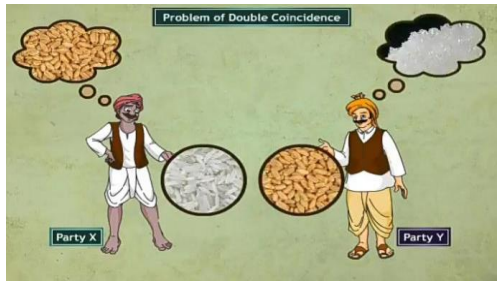
# ***Barter system***

The division of labour and specialisation of services increase production as well as as the methods of production. This led to an increase in the production and exchange of goods.In the barter system, goods were directly exchanged for goods .Hence this system was called as the system of direct exchange. Eventually, a number of problems arose as a result of direct exchange.



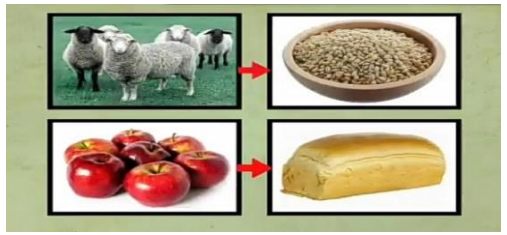
# Problems related to Barter system

## Lack double coincidence of want




Coincidence of wants refers to the exchange of goods between two parties.The problem of double coincidence refers to the difficulty finding two parties whose disposable possession mutually suit each other's wants.

## Lack of common measure of value



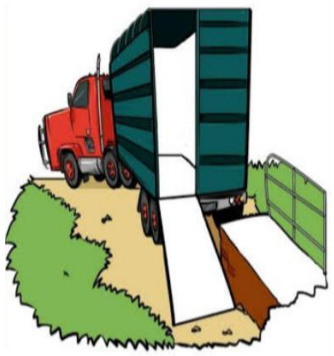
The lack of a common or standard unit of measure refers to the difficulty in deciding the quantity of goods to another.

## Sub-division



The problem of subdivision refer to the impossibility of division of goods for exchange

## Storing and transporting goods



The barter system also posed inconvenience in movement of goods from one place to another and in the storage of goods for a long period of time.

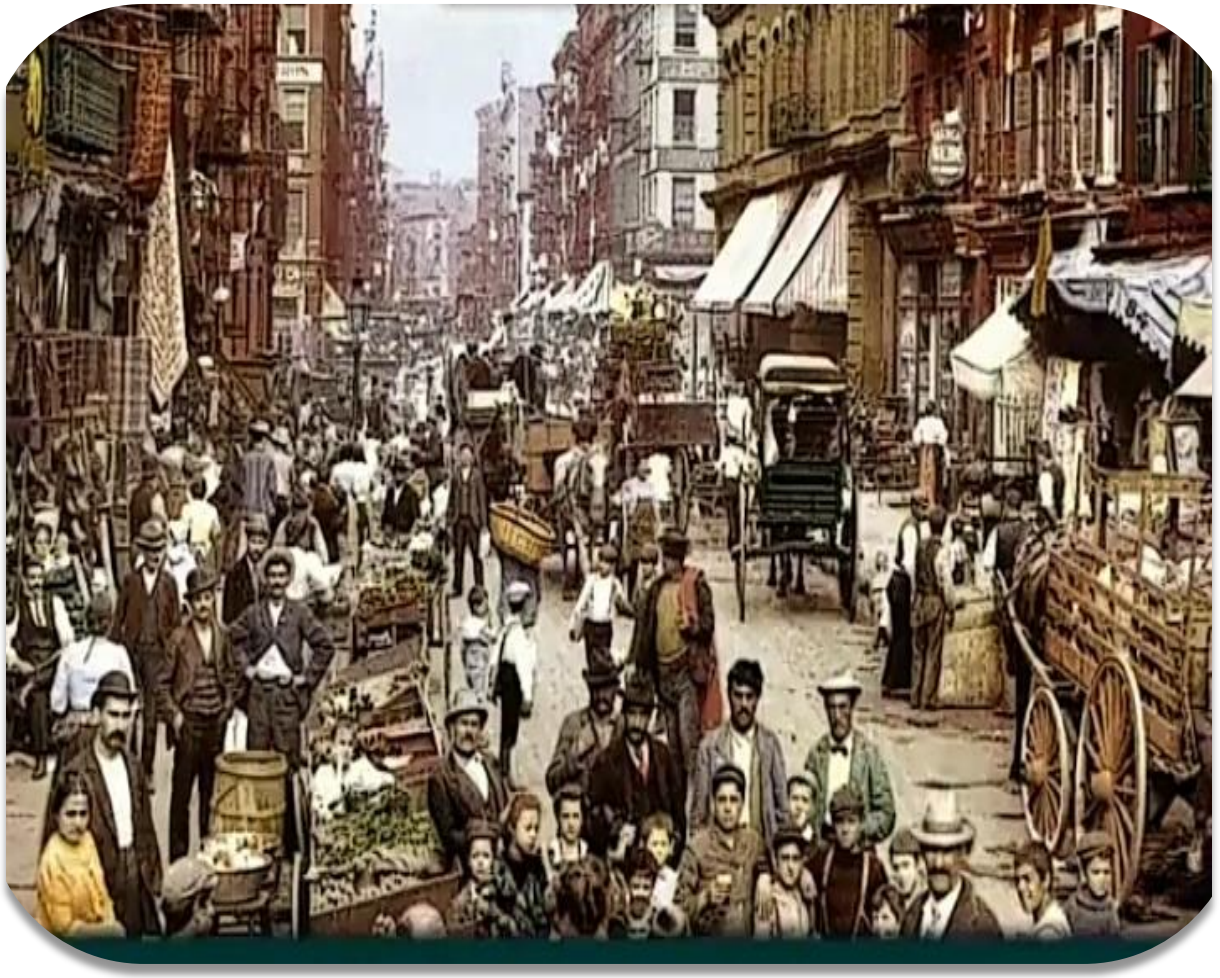
# ***Money Economy***

People try to overcome the problem posed by the barter system by using difficult means of exchange. Later, metals evoled into money. Copper, gold and silver coins were used as medium of exchange. Paper money eventually came to be used.Bank and plastic money in the form of cheques ,draftsman ,bills ,debit cards and credit card are widely used in modern economic.The modern economy is a money economy.



# Town Economy

The use of money as a medium of exchange gave rise to the institution of market.It encouraged the growth of domestic as well as foreign trade.The introduction of money also gave rise to the indirect exchange of goods.The process of production of goods and services also became more complex.As the volume of goods that were produced started increasing,the producers began exchanging their goods at local markets.Gradually these local markets developed into towns.With the rise of merchants and craftsmen,commerce developed and market area extended vastley.



# ***International Trade***

The 15th and 16th centuries saw the rise of geographical discoveries.These discoveries of uncharted areas give rise to new trading markets and european colonisation. Later, the industrial revolution that took place in England ushered in the age of machines.Large scale  production of goods, standardization and gradation of goods, revolution of transport and communication contributed in the expansion of markets at the international level.






# *Development of commerce in the 21st century*

- The 21st century in the age of information technology.
- Along with it, the trend of internet banking, tele-marketing, privatisation of insurance sector came in.
- It has encouraged the use of electronic and online media for Trade and advertising.
- Multinational company set up across the globe have encouraged the production of specialised goods used on a large scale and an offering of competitive rates.
- This has helped save the cost of production in manufacturing and product development.
- In this way, commerce has helped in the economic development across the globe.

# Thank you