



A BREIF ANALYSIS ABOUT DIFFERENCE BETWEEN INDUSTRY AND COMMERCE

B.M.SWAMY. M.COM., M.PHIL.

ASSISTANT PROFESSOR & HOD

DEPARTMENT OF COMMERCE

S.J.M. COLLEGE FOR ARTS, SCIENCE & COMMERCE COLLEGE

CHANDRAVALLI, CHITRADURGA-577501

Email-anandsjm@gmail.com

M-7022849966

ABSTRACT:- Business is an economic activity, concerned with the provision of goods and services with an aim of earning a profit. There is two major classification of business activities, i.e. industry and commerce. The **industry** is all about the production of goods, whereas **commerce** focuses on their distribution of goods and services. Industry implies all the activities that are concerned with the conversion of raw materials into finished goods. Conversely, commerce aims at providing goods at the right place, in proper quantity, in the right condition and at right time. In this article excerpt, we have compiled the basic difference between industry and commerce, have a look. The industry is defined as an economic activity, concerned with the procurement and processing of raw materials into finished products, that reaches the customer. Commerce is described as a business activity, wherein exchange for goods and services for value is done on a large scale. Industry and Commerce cover all the aspects of business. Industry looks after production, procurement, fabrication, extraction, construction activities of business.

KEYWORDS:- INDUSTRY COMMERCE E-COMMERCE E-MARKET TRADE PRODUCTION CAPITAL WIRELEES APPLICATION PROTOCOL

INTRODUCTION

Business is an economic activity, concerned with the provision of goods and services with an aim of earning a profit. There is two major classification of business activities, i.e. industry and commerce. The **industry** is all about the production of goods, whereas **commerce** focuses on their distribution of goods and services.

Industry implies all the activities that are concerned with the conversion of raw materials into finished goods. Conversely, commerce aims at providing goods at the right place, in proper quantity, in the right condition and at right time. In this article excerpt, we have compiled the basic difference between industry and commerce, have a look.

Comparison Chart

BASIS FOR COMPARISON	INDUSTRY	COMMERCE
Meaning	Industry is an economic activity, concerned with the procurement and processing of raw materials into finished products, that reaches the customer.	Commerce is a business activity, wherein exchange for goods and services for value, is done on a large scale.
Capital Required	High	Comparatively low
Involves	Conversion of resources into useful goods.	Activities essential for facilitating the buying and selling of goods.
Represent	Production part of business activities.	Distribution part of business activities.
Risk	High	Comparatively low

Definition of Industry

Economic activities associated with the procurement or extraction of raw materials and converting them into finished products which reach the final customer is known as an industry. The term 'industry' is used to denote those activities which involve the use of mechanical appliances and technical skills, i.e. activities with the manufacturing, production, and processing of products. It indicates the supply side of the market. The activities covered under industry are as under:

- Extraction of materials such as coal, petroleum etc.
- Conversion of raw materials into useful goods like soaps, fans, cement, etc.
- Construction of buildings, dams, roads etc.

The industry represents a group of factories, specialized in a specific product line. The different types of industries are as under:

1. **Primary Industry:** Industry concerned with obtaining and providing natural raw materials like mining, agriculture or forestry.
2. **Secondary Industry:** Industry engaged in conversion activities, i.e. converting raw material provided by primary industry, into finished products.
3. **Tertiary Industry:** Industry that provides support services to the primary and secondary industry.

Definition of Commerce

The term 'commerce' means a business activity that involves buying and selling of goods or services for value (cash or kind) and that too, on a large scale, between businesses or entities, from one place to another. When there is a purchase or sale of a particular item, it is known as a transaction, but commerce refers to all the transactions associated with the buying and selling of that item in an economy.

All the economic activities which are in some way or the other related to exchange comes under commerce. It covers the distribution aspect of business, i.e. it facilitates consumption process by providing proper distribution channel. Therefore, it ensures the availability of goods and services to the customers, at the right time and place. It is broadly classified into two activities:

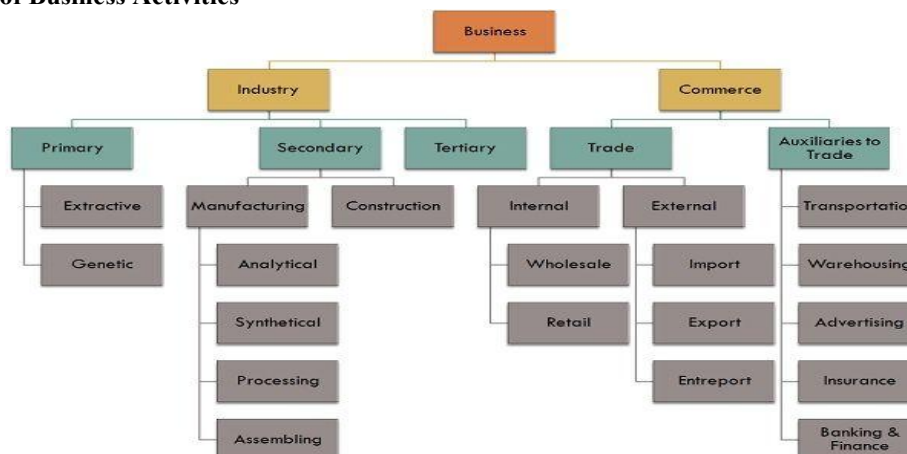
1. **Trade:** The process of buying and selling of goods and services for money.
2. **Auxiliaries to trade:** All the activities which assist trade directly or indirectly are auxiliaries to trade. It includes transportation, warehousing, banking & finance, advertising, insurance and so on.

Key Differences between Industry and Commerce

The significant differences between industry and commerce are discussed in detail, in the points given below:

1. The industry is defined as an economic activity, concerned with the procurement and processing of raw materials into finished products, that reaches the customer. Commerce is described as a business activity, wherein exchange for goods and services for value is done on a large scale.
2. A huge capital investment is required to start an industry. On the other hand, commerce requires comparatively less capital investment.
3. Industry involves the conversion of resources into useful goods. As opposed to, commerce which involves activities that are essential for facilitating the buying and selling of goods.
4. The industry is an indicator of production part of business activities. Unlike commerce which deals with the making goods available to the customers, i.e. the distribution part.
5. Industry involves high risk in comparison to commerce.

Classification of Business Activities



Difference Between e-commerce and m-commerce

With the emergence of new trends of doing business, nowadays people need not wait in queue for a long time just to buy a single article. However, traditional commerce is still in vogue, but every second person uses the latest modes of trading i.e. electronic commerce (e-commerce) and mobile commerce (m-commerce). **e-Commerce** delineates all forms of business dealings undertaken through electronic processing and exchange of data, including text, sound, video, images and so on.

On the other hand, **m-Commerce** implies the trading of merchandise through wireless handheld devices, such as mobile phones, tablets and personal digital assistant (PDA).

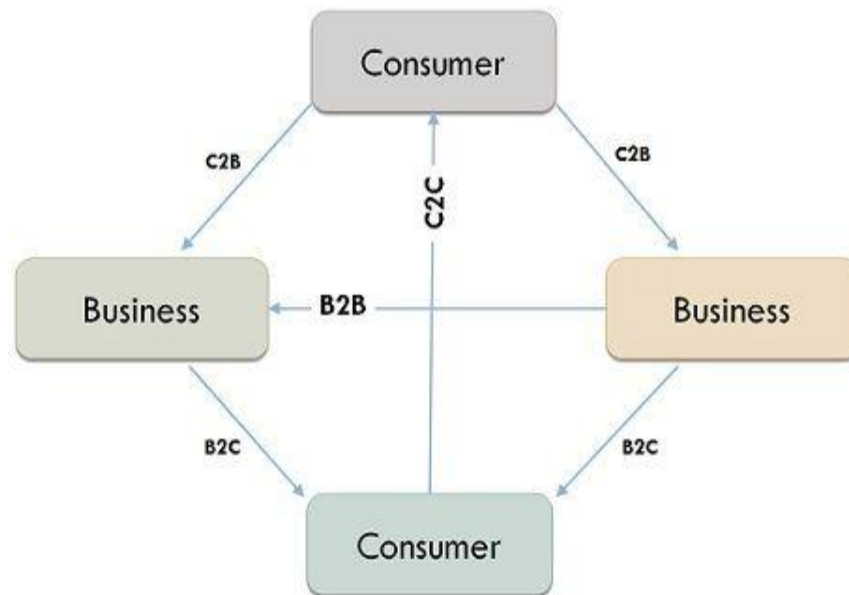
In short, the former refers to the buying and selling of products and services with the use of electronic systems such as the internet while the latter is an extension over the former, in which the commercial activities are conducted, through telecommunication devices. Take a read of the given article to understand the differences between e-commerce and m-commerce.

Comparison Chart

BASIS FOR COMPARISON	E-COMMERCE	M-COMMERCE
Meaning	Any kind of commercial transaction that is concluded, over the internet using electronic system is known as e-commerce.	M-commerce refers to the commercial activities which are transacted with the help of wireless computing devices such as cell phone or laptops.
Which device is used?	Computers and Laptops	Mobiles, tablets, PDA's, iPad etc.
Developed	In 1970's	In 1990's
What is it?	Superset	Subset
Ease of carrying device	No	Yes
Use of internet	Mandatory	Not mandatory
Reach	Narrow i.e. it is available only in those places where there is internet along with electricity.	Broad due to its portability.

Definition of e-commerce

e-commerce stands for electronic commerce. It refers to the exchange of any product or service across the internet while using electronic mode. It includes all those activities that help in concluding the transaction, i.e. transportation, banking, insurance, warehousing, advertising, etc. there will be no face to face interaction between the parties. The e-commerce business models are, business to business (B2B), business to consumer (B2C), consumer to business (C2B), consumer to consumer (C2C), etc.



Classification of E-commerce

Since last few years, e-commerce has gained tremendous importance due to the increase in the internet users. There are some merits of e-commerce:

- Prospective consumers can review existing customer's experiences through feedback.
- Elimination of middlemen.
- 24X7X365 accessibility as there is no time limitation.
- Simple, safe, fast and convenient.
- Less overhead cost.

However, e-commerce is accompanied with some drawbacks like there are chances that if some customers have a bad experience, then they will provide negative feedback to others. In addition to this, e-commerce is not right for perishable goods, the cost of shipping the goods, etc.

Definition of m-commerce

m-commerce or mobile commerce is nothing but an upgraded or version of e-commerce. When the commercial activities are conducted with the help of cellular devices, it is known as m-commerce. It includes browsing, buying, selling, dealing, ordering, paying and many other activities.

After the emergence of m-commerce, e-commerce has reached great heights because it has increased its accessibility, portability, and connectivity. Now, you don't need to search a place to plug-in because it just needs a wireless handheld device. The latest technology behind the success of m-commerce is Wireless Application Protocol (WAP), Short Message Service (SMS), Bluetooth, etc. It can be used in mobile ticket booking, mobile banking, money transfer via mobile and so on. Further, it allows the use of applications.

But of course, it is also backed with some demerits like small screen do not provide a better experience, lack of technology in mobile phones like memory, etc. less secure, fewer graphics, etc.

Key Differences Between e-commerce and m-commerce

The major differences between e-commerce and m-commerce are explained below:

1. e-commerce is defined as the performance of business activities with the use of the internet. When any sort of commercial transaction is transacted with the use of cellular devices, it is known as m-commerce.
2. e-commerce is an older concept than m-commerce.
3. m-commerce is originally developed on the lines of e-commerce. So it can be said that m-commerce is a part of e-commerce.
4. e-commerce activities are concluded with the help of computers and laptops, whereas in m-commerce, smartphones, tablets, iPad, PDA's (Personal Digital Assistant), etc. are used.
5. In e-commerce, the use of the internet is compulsory but in the case of m-commerce the use of the internet is not mandatory.
6. The connectivity of m-commerce is comparatively larger than e-commerce.
7. m-commerce devices are easy to carry anywhere because they are light weighted which is not possible with e-commerce.

Conclusion

Industry and Commerce cover all the aspects of business. Industry looks after production, procurement, fabrication, extraction, construction activities of business. On the other hand, commerce looks after the movement of product from the source location through distribution channels (such as wholesalers, retailers, distributors, etc.), to the final consumer

e-commerce and m-commerce have played a revolutionary role in changing the lifestyle of the people. Apparently, it saved their time and cost. In traditional commerce, people do not have many options, but now they can explore and make better choices. They will not get cheated with low or substandard or defective items. Also they will not get fooled by the attractive advertisements because they can read the reviews of existing customers to decide whether to buy the product or not.

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