***Subject: Business Studies***

***Class: jss2***

***Topic: METHODS OF BUYING AND SELLING***

***Copy this note down in your notebook***

***What is buying***? Buying means acquisition of goods that are expected to satisfy the needs of the buyer. The buyer does this by paying money for the goods. The amount paid for the goods must be acceptable to the buyer and favourable to the seller, otherwise buying will not take place.

***Methods Of Buying***

***1. Buying by Description*** : This is a method where buyers rely on what is written on the label of the produce by the manufacturer. Here the buyer is not allowed to test or taste the produce before paying for it, e.g tinned food such as milk, fish, tomatoes, soap, detergents, beverages, drugs, bottled drinks, e.t.c. Here, the seller cannot guarantee that the product will meet the need of the buyer because he or she is not the producer.

***2. Buying by Sample*** : In this method, the buyer is allowed to test/taste the products before paying for it, e.g, garrison, red oil, clothes, footwears, e.t.c. After the sampling and the buyer is satisfied with the quality, he can pay for it.

***3. Buying by Auction*** : This is selling goods through public auction. Selling goods through this method enables the buyers to decide how much each is willing to pay. After hearing the price from the bidders, the auctioneer sells the goods to the highest bidder. In auction, prospective buyers are allowed to see the goods before the day of auction. This helps them to decide how much each is willing to bid. Note that one who sells goods through public auction is called an auctioneer.

***4. Buying by Inspection*** : In buying by inspection, the buyer is given the opportunity to have q close look or examination of what he wants to buy. This helps him to make a rational decision before paying for the product. Most goods bought in Nigeria is by inspection. Since the buyer is given the opportunity to inspect the items before buying, if he makes mistake he loses because goods bought by inspection cannot be returned.

**ASSIGNMENT**

1. What is buying?

2. Name six goods involve buying by description

3. Who is an auctioneer?

4. In auction sales, who goes home with the goods?

Assignments are to be submitted in the school at the security post.