



215en05

## MODULE - III

Maximum Marks

25

Hours of Studies

45

### Service Sector

Today business has become complex and sensitive. Its success largely depends upon the availability of various service activities such as transport, warehousing, communication, postal, banking, insurance, B P O etc. This facilitates the effective functioning of business and develops a wide networking of business activities throughout the world. This module aims at developing an insight into these service activities.

- Lesson 5 : Transport Services**
- Lesson 6 : Warehousing**
- Lesson 7 : Communication Services**
- Lesson 8 : Postal and Courier Services**
- Lesson 9 : Banking Services**
- Lesson 10 : Insurance Services**
- Lesson 11 : Outsourcing**

## 5

## TRANSPORT SERVICES



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We use various products in our daily life. Many of them, we know, are produced at places far away from our locality. So how do we get them at our place? These are carried from all those places through rail, road, water or air and are made available to us at our locality. You must have seen trucks, tempos, bullock carts etc. which carry finished products or raw material from one place to another. Similarly, you also must have seen people traveling from one place to another by aeroplanes, trains, buses, cars, scooters, rickshaws, cycles, etc.

This movement of goods and persons is very important in business. Because of this, raw material is made available at the place of manufacturing goods. Finished products are made available at the place of sale or consumption. Manpower moves from one place to another, and so on.

In this lesson, let us learn how goods and workforce move from one place to another.



## OBJECTIVES

After studying this lesson, you will be able to:

- state the meaning of transportation;
- recognize the importance of transportation;
- identify the various modes of transportation; and
- describe the advantages and limitations of different modes of transportation.

## 5.1 MEANING OF TRANSPORTATION

Transport refers to the activity that facilitates physical movement of goods and individuals from one place to another. In business, it is considered as an *auxiliary to trade*, that means it supports trade and industry in carrying raw materials to the place of production and distributing finished products for final consumption.

Individuals or business firms that engage themselves in such activities are called transporters. Generally, transporters carry raw materials, finished products, individuals, etc. from one place to another.



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## 5.2 IMPORTANCE OF TRANSPORT

As discussed above, transport removes the distance barrier. Because of it, now-a-days goods produced at one place are readily available at distant places and people move freely throughout the world. Without transport, we as well as business units cannot move a single step. Followings are the points of importance of transport.

- i. **Makes raw materials available to manufacturers or producers:** Transport makes it possible to carry raw materials from places where they are available to places where they are to be processed and assembled into semi-finished or finished goods.
- ii. **Makes goods available to customers:** Transport makes movement of finished goods possible from one place to another with great ease and speed. Thus, consumers spread in different locations of the country have the advantage of consuming goods produced at distant places.
- iii. **Enhances standard of living:** Transport gives consumers the choice to make use of different qualities of goods of different prices. So it raises the standard of living of the people.
- iv. **Facilitates large-scale production at low costs:** We know, large scale production is not always possible at the place of our choice since it needs huge infrastructure particularly land which is not easily available everywhere. But, transport makes large scale production possible by making all required materials and manpower available at the place finally selected for manufacturing. Large scale production lowers down cost per unit.
- v. **Helps during emergencies and natural calamities:** In times of national crisis, due to war or internal disturbance, transport helps in quick movement of troops and the supplies needed in the operation.
- vi. **Helps in creation of employment:** Transport provides employment opportunity to individuals as drivers, conductors, pilots, cabin crew, captain of the ship, etc. who are directly engaged in transport business. It also provides employment to people working in the industries producing various means of transport including its equipments and parts. People also provide repairing and maintenance services by opening service centers at convenient locations.
- vii. **Helps in labour mobility:** Transport helps a lot in providing mobility to workers. You may be aware that people from our country go to foreign countries to work in different industries and factories. Foreigners also come to India to work. Within India, also people move from one part to another in search of work. Similarly, it is not always possible to have

workers near the factory. Most industries have their own transport system to bring the workers from where they reside to the place of work.

- viii. Helps in bringing nations together:** Transport facilitates movement of people and goods from one country to another. It helps in exchange of cultures, views and practices among the people of different countries. This brings about better understanding among people and awareness about different countries. Thus, it helps in promoting a feeling of international brotherhood.



### INTEXT QUESTIONS 5.1

Which of the following statements are true and which are false?

- In business, transport is considered as an auxiliary to trade.
- Transport does not help in raising standard of living of the people.
- Exchange of culture between nations becomes possible because of transport.
- Transport does not create any employment opportunity.
- Mobility of labour is facilitated by transport.

## 5.3 MODES AND MEANS OF TRANSPORT

We find that basically transport is possible through land, air or water, which are called the different *modes* of transport. On land we use trucks, tractors, etc., to carry goods; trains, buses, cars etc. to carry passengers. In air, we use aeroplanes, helicopters to carry passengers as well as goods. Similarly in water we use ships, steamers, boats, etc., to carry goods and passengers. All these are known as various *means* of transport.

The modes of transport can broadly be divided into three categories: Land transport, Water transport and Air transport.

Let us discuss various modes and related means of transport.

## 5.4 LAND TRANSPORT

Land transport refers to activities of physical movement of goods and passengers on land. This movement takes place on road, rail, rope or pipe. So land transport may further be divided into Road transport, Rail transport, Ropeway transport, Pipeline transport. Let us know the details about each of them.

## 5.5 ROAD TRANSPORT

Roads are the means that connect one place to another on the surface of the land. You must have seen roads in your village, in towns and cities. Not all of them



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look alike. Some of them are made of sand and some may be of chips and cement or coal tar. You find different vehicles plying on roads like bullock carts, cycles, motorcycles, cars, truck, buses, etc. All of these constitute different means of road transport. The means of road transport may be divided into three types:

- i. Man driven;
- ii. Animal driven; and
- iii. Motor driven.



Pictures of means of road Transport

You might have seen individuals carrying goods on their head or back, on bicycles or on *thelas*, (push carts) moving from one place to other.

People also ride a bicycle or use rickshaw to travel short distances. We also find animal driven vehicles like carts (drawn by bullocks, camels, horses, donkeys, etc.) used in rural areas to carry crops, straw, fodder and sometimes even people. Sometimes even animals are directly used to carry goods from one place to another. In areas, which are normally covered with snow throughout the year, we find sledges pulled by dogs used to carry both passengers and goods.

Compared with man-driven and animal-driven means of road transport, motor-driven means of transport have become more popular over the years. This is due to their speedy movement and larger carrying-capacity. Extension of roads to every corner of the country has also enhanced the use of motor driven transport. The types of motor vehicles used to carry goods and passengers include auto-rickshaws, scooters, vans, buses, tempos, trucks, etc.

In Kolkata, tramway also forms part of road transport for carrying passengers.

## 5.6 ADVANTAGES OF ROAD TRANSPORT

Road transport has the following advantages.

- (i) It is a relatively cheaper mode of transport as compared to other modes.
- (ii) Perishable goods can be transported at a faster speed by road carriers over a short distance.
- (iii) It is a flexible mode of transport as loading and unloading is possible at any destination. It provides door-to-door service.
- (iv) It helps people to travel and carry goods from one place to another particularly in places which are not connected by other means of transport, e.g. hilly areas.

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### 5.7 LIMITATIONS OF ROAD TRANSPORT

Road transport has the following limitations:

- (i) It is not economical for long distance transportation of goods due to their limited carrying-capacity.
- (ii) Transportation of heavy goods or goods in bulk by road involves high cost.
- (iii) It is affected by adverse weather conditions like floods, rain, landslide, etc.

### 5.8 RAIL TRANSPORT

Transportation of goods and passengers on rail lines through trains is called rail transport. It occupies an important place in land transport system of our country and is the most dependable mode of transport to carry goods and passengers over a long distance.

Besides long distance, local transport of passengers is also provided by local trains or metro-trains in some metropolitan cities. Rail transport is available throughout the country except some hilly or mountainous regions. In India two types of trains are found. One is passenger train and other is goods train. While passenger trains carry both human beings and a limited quantity of goods, the goods trains are exclusively used for carrying goods from one place to another. These trains are driven by rail engines and they use steam, diesel or electric power to move. Let us now discuss the advantages and limitations of rail transport.



**Rail Transporations**

### 5.9 ADVANTAGES OF RAIL TRANSPORT

- (i) It is a convenient mode of transport for traveling long distances.
- (ii) It is relatively faster than road transport.
- (iii) It is suitable for carrying heavy goods in large quantities over long distances.
- (iv) Its operation is less affected by adverse weather conditions like rain, floods, fog, etc.

### 5.10 LIMITATIONS OF RAILWAY TRANSPORT

- (i) It is relatively expensive for carrying goods and passengers over short distances.
- (ii) It is not available in remote parts of the country.
- (iii) It provides service according to fixed time schedule and is not flexible for loading or unloading of goods at any place.
- (iv) It involves heavy losses of life as well as goods in case of accident.



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### 5.11 PIPELINES TRANSPORT

In modern times, pipelines are used for various purposes. Water supply to residential and commercial areas is carried on with the help of pipelines. Petroleum and natural gas are also transported from one place to another through pipelines.

This is the most convenient as well as economical mode of transport for these products in comparison to road and rail transport, provided the volume to be transported is large quantities. But the cost of installation and maintenance requires large capital investment.

**Pipe Line Transport**

### 5.12 ROPEWAY TRANSPORT

Ropeway refers to a mode of transport, which connects two places on the hills, or across a valley or river. In the hilly areas, trolleys move on wheels connected to a rope and are used for carrying passengers or goods, especially building materials, food, etc.

The famous “*Uran Khatola Jagdamba*” in Gujarat that carries pilgrims to the temple is an example of ropeway transport, which carries more than 50 passengers at a time.

**Ropeway Transport**

### INTEXT QUESTIONS 5.2

- I. Which of the following statements are true and which are false?
  - i. Transportation means only sending goods and not the persons.
  - ii. Transport removes distance barrier.
  - iii. Pipeline transport is not a means of land transport.
  - iv. Road transport is not affected by adverse weather conditions.
  - v. Rail Transport is a suitable mode of transport for carrying heavy and bulky goods.

II. Match column A with the statement given in column B:

<b>Column A</b>		<b>Column B</b>	
(i)	Thelas (push cart)	a.	facilitates movement in valleys
(ii)	Ropeway	b.	mode of transport for carrying heavy and bulky goods
(iii)	Sledge	c.	mode of transport for transporting gases and liquids
(iv)	Railways	d.	means of transport driven by human beings
(v)	Pipelines	e.	dogs are used to pull



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### 5.13 WATER TRANSPORT

Water transport refers to movement of goods and passengers on waterways by using various means like boats, steamers, launches, ships, etc. With the help of these means goods and passengers are carried to different places, both within as well as outside the country. When rivers and canals within the country are used for the movement of boats, launches, etc. this is called *inland water transport*. When the various means of transport are used to carry goods and passengers on the sea route it is termed as *ocean transport*. Let us know more about these two types of water transport.

### 5.14 INLAND WATER TRANSPORT

Inland water transport uses boats, launches, barges, streamers, etc. to carry goods and passengers on river and canal routes. These routes are called inland waterways and are used in domestic or home trade to carry bulky goods. Passenger transport through waterways is not so popular in our country. Inland water transport system exists only in few states like West Bengal, Andhra Pradesh, Assam, Tamil Nadu, etc.

### 5.15 OCEAN TRANSPORT

Ocean transport refers to movement of goods and passengers by ships through sea or ocean waterways. It plays an important role in the growth of international trade. It is also used for transporting goods and passengers in the coastal areas. Ocean transport has its fixed route, which links almost all the countries of the world. Sea transport may be of the following two types.



**Picture of Ocean Transport**

- i. **Coastal Shipping** - In this transport, ships ply between the main ports of a country. This helps in home trade,





**Notes**

and also in carrying passengers within the country. In this transport, ships ply between different countries separated by sea or ocean. It is mainly used for promotion and development of international trade. It is an economical means of transport to carry heavy machines and goods in bulk.

- ii. **Overseas shipping** – Overseas transport is carried out on fixed routes which connect almost all the countries. In ocean transport, different types of ships are used to carry passengers and goods. These may be classified as under: a) Liners - A liner is a passenger or cargo vessel, which belongs to a regular shipping company. These ships ply over a fixed route following a prescribed schedule or time table. b) Tramps - A tramp is a cargo ship, which does not make regular trips but plies whenever cargo is offered to it. It does not follow a fixed route or a prescribed time table like that of liners.



**Overseas Shipping**

### **5.16 ADVANTAGES OF WATER TRANSPORT**

Water Transport has the following advantages:

- i. It is a relatively economical mode of transport for bulky and heavy goods.
- ii. It is a safe mode of transport with respect to occurrence of accidents.
- iii. The cost of maintaining and constructing routes is very low as most of them are naturally made.
- iv. It promotes international trade.

### **5.17 LIMITATIONS OF WATER TRANSPORT**

Water transport has the following limitations:

- i. The depth and navigability of rivers and canals vary and thus affect operations of transport vessels of different sizes.
- ii. It is a slow moving mode of transport and therefore not suitable for transport of perishable goods.
- iii. It is adversely affected by weather conditions.
- iv. Sea transport requires large investment in ships and their maintenance.



### **INTEXT QUESTIONS 5.3**

- I. Which of the following statements are true and which are false?
- (i) Inland waterways consist of sea and ocean.
  - (ii) Water transport is a very fast mode of transport.
  - (iii) Water transport facilitates international trade.

**Notes**

- iv) Overseas ships ply to the neighbouring countries.
- (v) Water transport is not affected by adverse weather conditions.

II. Fill in the blanks in the following sentences:

- (i) \_\_\_\_\_ is a cargo ship which does not make regular trips.
- (ii) Inland water transport is generally used in \_\_\_\_\_ trade.
- (iii) Ships having fixed routes and plying regularly are called \_\_\_\_\_.
- (iv) Ocean transport mainly facilitates \_\_\_\_\_ trade.
- (v) In water transport, \_\_\_\_\_ investment is required in acquisition of ships.

### 5.18 AIR TRANSPORT

This is the fastest mode of transport. It carries goods and passengers through airways by using different aircrafts like passenger aircraft, cargo aircraft, helicopters, etc. Besides passengers it generally carries goods that are less bulky or are of high value. In hilly and mountainous areas where other mode of transport is not feasible, air transport is an important as well as convenient mode. It is also used for transporting goods and passengers during natural calamities like earthquake and floods, etc. During war, air transport plays an important role in carrying soldiers as well as supplies to the required areas.



**Picture of Air Transport**

Air transport may be classified as domestic and international air transport. While domestic air transport mainly facilitates movement within the country, international air transport is used for carrying goods and passengers among different countries. Air transport is carried out in fixed air routes, which connect almost all the countries.

### 5.19 ADVANTAGES OF AIR TRANSPORT

It has the following advantages:

- i. It is the fastest mode of transport.
- ii. It is very useful in transporting goods and passengers to the area which are not accessible by any other means of transport.
- iii. It is the most convenient mode of transport during natural calamities.
- iv. It provides vital support to the national security and defence.



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## 5.20 LIMITATIONS OF AIR TRANSPORT

It has the following limitations:

- i. It is relatively more expensive mode of transport.
- ii. It is not suitable for transporting heavy and bulky goods.
- iii. It is affected by adverse weather conditions.
- iv. It is not suitable for short distance travel.
- v. In case of accidents, it results in heavy losses of goods, property and life.



### INTEXT QUESTIONS 5.4

- I. Which of the following statements are true and which are false?
  - i. Air transport is the fastest mode of transport.
  - ii. Air transport is not affected by adverse weather conditions.
  - iii. Air transport is not suitable for short distances.
  - iv. Helicopters are generally used for international flights.
  - v. Air transport does not provide any support to national security.
- II. Multiple Choice Questions
  - i. The suitable mode of transport in hilly and mountainous areas is
 

(a) Rail Transport	(b) Road Transport
(c) Air Transport	(d) Water Transport
  - ii. Providing transport facilities by a Transport Company is:
 

(a) An Industry	(b) A Trade
(c) An Auxiliary to trade	(d) None of the above.
  - iii. Which of the following is a suitable mode for carrying heavy goods in large quantities over long distances within the country?
 

(a) Rail Transport	(b) Road Transport
(c) Air Transport	(d) Water Transport
  - iv. Ships having fixed routes and playing regularly are called:
 

(a) Cargo	(b) Charter party
(c) Liners	(d) Domestic
  - v. Which of the following is not an advantages of water transport?
 

(a) Relatively economical mode of transport for bulky & heavy goods
(b) Adversely affected by weather conditions
(c) Promotes International Trade
(d) A safe mode of Transport with reference to occurrence of accidents.



## WHAT YOU HAVE LEARNT

- Transport refers to the activity that facilitates physical movement of goods as well as individuals from one place to another through various means.
- The importance of transport lies in the following:
  - Makes raw materials available to manufacturers or producers;
  - Makes goods available to customers;
  - Enhances standard of living;
  - Facilitates large-scale production at low costs;
  - Helps during emergencies and natural calamities;
  - Helps in creation of employment;
  - Helps in labour mobility;
  - Helps in bringing nations together
- Different modes of transport are as follows:

Mode	Land Transport	Water Transport	Air Transport
Types	Road Transport Rail Transport Pipe-line Transport Ropeway Transport	Inland water Transport Ocean Transport	Domestic Air Transport International Air Transport

- The different means of water transport to carry goods and passengers are :-

Means	Land Transport	Ocean Transport
Types	Boats, Steamers, Barges, Launches	Ships, Tankers, Submarines

- The different means of land transport to carry goods and passengers are :-

Road Transport			Rail Transport	Pipeline Transport	Ropeway Transport
Human Driven	Animal Driven	Motor Driven			
-Head or Back of Human beings -Carts drawn by Human beings -Thelas (Push Carts) -Bicycle -Rickshaw	-Carts drawn by animals -Sledge -Animal	-Scooter -Motor Cycle -Auto Rickshaw -Car -Van -Bus -Truck	-Passenger Train -Goods Train	Pipes	Ropes

- The different means of air transport to carry goods and passengers are:-

Means	Domestic Air transport	International Air Transport
Types	Aeroplanes, Helicopters	Aeroplanes



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**TERMINAL EXERCISE**

1. What is meant by transport? Describe its importance in business.
2. What is meant by modes of transport? State the different modes of transport.
3. Describe the various modes of land transport.
4. Describe the advantages and limitations of Railway transport.
5. Explain the various types of Road transport.
6. Discuss the advantages and limitations of Road transport.
7. Classify the various modes of water transport.
8. Describe the advantages and limitations of water transport.
9. Distinguish between Inland and Ocean transport.
10. Distinguish between liners and tramps.
11. Describe advantages and limitations of Air transport.
12. What are the factors that you will consider while selecting a suitable mode of transport?
13. For what kind of products pipeline transport is most suitable and why?

**ANSWER TO INTEXT QUESTIONS**

- 5.1** (i) True, (ii) False, (iii) True, (iv) False, (v) True
- 5.2** I. True - (ii), (v) False - (i), (iii), (iv)  
II. (i) d (ii) a (iii) e (iv) b (v) c
- 5.3** I. True iii, iv False i, ii, v  
II. (i) Tramp (ii) Home/Domestic (iii) Liners  
(iv) Foreign (v) Heavy
- 5.4** I. True - (i), (iii) False - (ii), (iv), (v)  
II. (1) B, (2) C, (3) A, (4) C, (5) B

**ACTIVITY FOR YOU**

- Observe the various modes of transport near your residence and write their advantages and limitations.
- Visit the nearest market of your area and ask the trader which mode of transport they are using and why?
- In your family, what modes of transport are being used on different occasions? Make a list.