

Chapter 7 - Markets Around Us

1. In what ways is a hawker different from a shop owner?

Solution: A hawker does not have a fixed location from where he/she sells his items. Instead, he/she moves from one location to another selling his/her wares at a minimum profit. There is a minimum capital investment when it comes to setting up a business unit and there is no limit to the wares that can be sold by a hawker while bringing his/her service to the very doorstep of customers.

A shopkeeper has a fixed building from which he/she sells his wares. Customers will come to buy their desired items to the shops. A shopkeepers customer base is limited to the geographical location of his/her shop. The wares sold can be limited to the type of shop. For example, a clothing store will only sell clothes while an electrical shop will only sell electric items etc.

2. Compare and contrast a weekly market and a shopping complex on the following:

| Market | Kind of goods sold | Prices of goods | Sellers | Buyers |
|------------------|--------------------|-----------------|---------|--------|
| Weekly market | | | | |
| Shopping complex | | | | |

Solution:

| Market | Kind of goods sold | Prices of goods | Sellers | Buyers |
|-------------------------|---|--|----------------------------|---|
| Weekly market | Different items of everyday use such as vegetables, groceries, cloth, items, utensils, etc. | Prices of goods are not that high. It can be easily afforded | Small traders and hawkers | People belonging to the lowermiddleincome group |
| Shopping complex | Branded items such as readymade clothes, home appliances, footwear, leather items, etc. In | Prices of goods are usually high. Only those | Big businesses and traders | People belonging to the uppermiddle class |

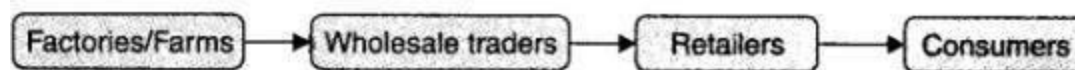
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| | some complexes, there are even food items available for immediate consumption | who have a high income can buy them | | and above. |
|--|---|-------------------------------------|--|------------|

3. Explain how a chain of markets is formed. What purpose does it serve?

Solution: Goods are first produced in factories, farms and homes (depending on what type of business it is). However, it does not mean that a consumer needs to visit these places to buy these goods since the ones making them will not sell in small quantities to an individual buyer.

This where wholesale traders come in. They are the intermediaries between the producers and the final consumers. They first buy the goods in bulk and then sell them to the retailers. The amount sold will be in accordance with the demand prevalent. These retailers will finally sell it to the end consumers.

Thus it can be inferred that from factories to consumers, a chain is formed. This called a chain of markets or market chain. It can be better understood from the flow chart given below:



It is this market chain that maintains equilibrium in supply and demand of the economy

4. 'All persons have equal rights to visit any shop in a marketplace'. Do you think this is true of shops with expensive products? Explain with examples.

Answer: Yes, it is applied to all the shops with expensive items. Even if the consumer cannot afford to buy them, the shopkeeper is still obligated to show the items up for display. The shopkeeper under no circumstances may force the consumer to buy the item presented. That decision is solely left to the discretion of the consumer. An example of this can be given below:

Sujata and Kavita went to Ansal Mall for a casual visit. While exploring their through the mall, they enter a shop which is selling branded clothes. Although they marvel at the quality of the clothes, the outlandish price tags on the clothes made them move away to a different shop selling the same type of clothes at a reasonable price.

5. 'Buying and selling can take place without going to a marketplace'. Explain this statement with the help of examples.

Solution: The age of the internet has opened the proverbial door to new opportunities. Now one does not need a physical marketplace to buy and sell goods. They can now be purchased online through cards and payment apps. One can just place the order and it will be delivered to their doorsteps. It applies to even local kirana stores where with the help of a web or mobile app, one can place orders for groceries and it will be delivered to them.

For example, in clinics and nursing homes, you may have noticed sales representatives from medical companies waiting for the doctor to arrive. Such persons are also engaged in the selling of goods. Thus buying and selling takes place in different ways and does not require the physical presence of a shop.