

Chapter 7: Markets Around Us

Intext Questions:

Question 1 : Why do people go to weekly markets? Give three reasons.

Answer: People go to weekly markets because of the following reasons :

- Most of the things they need are available at one place.
- There is competition among sellers because of a large number of shops selling the same goods. It provides an opportunity to buyers to bargain.
- Many things in weekly markets are available at cheaper rates.

Question 2 : Who are the sellers in a weekly market? Why don't we find big business persons in these markets?

Answer: Small traders are the sellers in a weekly market. Big business persons are not found in a weekly market because of their large shops permanently fixed at a place. It is not convenient to shift the shop from place to place daily.

Question 3 : Why are things cheap in the weekly market?

Answer: Things are cheap in the weekly market because of the following reasons :

- The shop owners don't have to pay rent, electricity charges, and fees to the Government.
- They don't hire workers and are helped by their family members.
- There are competition and bargaining because of a large number of shops selling the same goods. These bring the price down.

Question 4 : Explain with an example how people bargain in the market. Can you think of a situation where the bargain would be unfair?

Answer:

- People bargain in the market by saying the lower price of a product than what the seller charges. For example, Manu goes to 'Subji Mandi' in the evening. He asks the rate of potato to a vendor. The vendor says ten rupees per kg! Manu asks the vendor for six rupees per kg. But, the vendor agrees on eight rupees. Manu buys five kgs. of potatoes at the rate of eight rupees per kg.
- Yes. At the fixed-rate shop, bargaining will be unfair. But at the shops other than the fixed-rate, we can bargain to bring the price down.

Question 5 : Why did Sujata carry a notebook? Do you think this system is useful? Can there be problems?

Answer: Sujata carried a notebook to get the number of things she bought noted in it. Because she took the things on credit.

Yes. To buy things on credit is good both for seller and buyer if they don't lose faith in each other.

There can be a problem if the seller charges more price than the general cost and the buyer doesn't pay the credit on time.

Question 6 : What are the different kinds of shops that you find in your neighbourhood? What do you purchase from them?

Answer:

- The different kinds of shops found in my neighbourhood are dairy, general stores, stationeries, clothes, eatables, medicines and roadside stalls of a vegetable hawker, the fruit vendors, the mechanic, etc.
- We purchase milk, groceries, stationery items, eatables, medicines, vegetables, fruits, etc. from those shops.

Question 7 : Why are goods sold in permanent shops costlier than those sold in the weekly markets or by roadside hawkers?

Answer:

- The goods sold in permanent shops are costlier than those sold in the weekly markets or by roadside hawkers because the shops in permanent building incur the following extra expenditure :
- The permanent shop owners have to pay rent, electricity, fees to the Government.
- They also have to pay wages to their workers while in weekly markets, most of the shop owners are helped by their family members and they need not hire workers.
- There are less competition and bargaining among the permanent shops.

Question 8 : Why do you think the guard wanted to stop Kavita and Sujata from entering the shop? What would you say if someone stops you from entering a shop in a market?

Answer: They seemed to be general. They were neither wearing high-quality dresses nor looked like from a rich family.

I would ask that the shop is for general customers or for a particular group if someone stops me from entering a shop in a market.

Question 9 : Why do people not bargain in shops located in malls whereas they bargain in weekly markets?

Answer: People don't bargain in shops located in malls whereas they bargain in weekly markets because of the following reasons :

- The shops located in malls are generally fixed-price shops.
- The goods available in shops located in malls are generally branded and are sold on a fixed profit margin.
- The buyers, who go to shops and showrooms located in malls, are high profile, rich people.
- They don't like to bargain. They always prefer to buy quality choices and don't care about the price.

Question 10 : How do you think your neighbourhood shop gets its goods? Find out and explain with some examples.

Answer: My neighbourhood shop gets its goods from wholesale traders. For example, wholesale traders of clothes, vegetables, etc. first buy these goods in large quantities. These goods then are sold to other traders, generally called distributors. These are the distributors who sell the goods to retailers, i.e., neighbourhood shop owners.

Question 11 : Why is a wholesale trader necessary?

Answer: A Wholesale trader is necessary because we, the consumer and retailer cannot buy goods from the producers i.e., factories and farms located at distant places. Nor would the producers be interested in selling the retailers small quantities of goods. So, the wholesale traders act as a connecting link between the producers and the retailers.

Exercises

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

Answer:

Hawker	Shop owner
(i) Do not have permanent shop	(i) Have permanent shops
(ii) Generally sells non branded items, fruits, vegetable, cutlery etc.	(ii) sells branded as well as non branded items
(iii) Don't have expenses like electricity bills, rents, workers etc.	(iii) Have expenses like electricity bills, rents, workers etc

(iv) sells products at cheaper rate.

(iv) sells cheaper as well as costlier products.

Question 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				

Answer:

Market	Kind of goods sold	Prices of goods	sellers	Buyers
Weekly market	Non branded Compromised quality	Cheaper	Small investors ,Local	Locals, low income,poors
Shopping complex	Branded , Good quality	costlier	International compaies , Big Investors	People from big cities ,High income ,Rich

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

Answer: Chain of markets is a series of markets that are connected like links in a chain because products pass from one market to another.

- Vegetables are produced on farms.
- The vegetable wholesale trader buys goods in large quantities.
- These will then be sold to other traders.
- Retailers take these vegetables to the market where consumers buy these.

Purpose it serve:

- Consumer can easily buy goods of far off places in the local markets.
- Factories and producers need not to find their consumer directly.
- It encourages production and new opportunities are created for people to earn.
- Provides employment to the large numbers of people.

Question 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: All persons have equal rights to visit any shop in a marketplace but this is however not true for shops with expensive products.

For example:

- Big commercial shops don't allow the poor people to enter their shops sometimes. They considered them as inferior and thought as not able to buy their products.
- People from lower income group cannot afford to buy branded products and hesitate to enter the shop.

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

Answer:

- Buying and selling can take place without going to a marketplace as there are many e-commerce companies providing home delivery for free.
- People can order products from these companies and get it delivered to their home without visiting the market.
- Some local shops also provide order on phone facility and people can order their good just by a call.

- Plastic money and internet banking made it easier to provide alternate source of payment for buying from the virtual market.

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