

CHAPTER -7

MARKETS AROUND US

EXCECISES:

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

Answer: A hawker provides door to door service. He sells his goods by calling out the names of his items. He generally owns which we may call a movable shop and keeps in it different items of our everyday use. He sells his goods at a minimum profit.

A shop owner runs his shop at one fixed place. Whenever we need anything we go there and purchase it. Here, we get things at a somewhat costlier rate.

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

Market	Kinds of goods sold	Prices of goods	Sellers	Buyers
Weekly market				
Shopping complex				

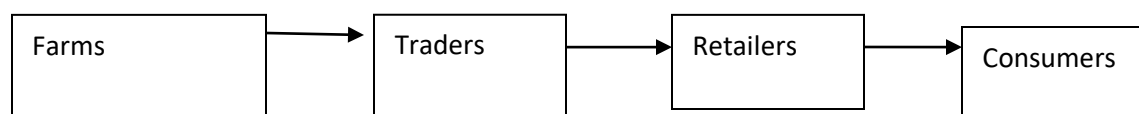
Answer:

Market	Kinds of goods sold	Prices of goods	Sellers	Buyers
Weekly market	Different items of our everyday use such as vegetables, groceries, cloth items, utensils, etc.	Prices of goods are not very high. common people can easily afford them.	Small traders and hawkers	Local people belonging to low income group.
Shopping complex	Branded items such as readymade clothes, home appliances, etc. Here we also get eatables such as pizza, burger etc..	Prices of goods are usually high. Only rich people can afford to buy them.	Big businessmen and traders.	Wealthy city people.

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

Answer: Goods are produced in factories; Goods are also produced in farms and in homes. But we are not required to go to factories or farms to buy goods of our need, because the producers are not interested in selling us small quantities. The wholesale traders do this job. They are the people who come in between the producer and the final consumer. They first buy goods in bulk. Then they sell these goods to the retailers, who finally sell this to the consumers.

From the above instance we come to the conclusion that from factories to final consumers a chain is formed, which we may call a chain of markets. We can better understand it through the flow chart given below:



It serves a great purpose. It maintains the flow of money. It makes easy availability of various items of our daily use. It also promotes coordination in society

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: It is true that all persons have equal rights to visit any shop in the

marketplace. But this is not true of shops with expensive products. It is because of the following:

1. People with high incomes can buy expensive products. Hence, these people go to the shops with expensive products and not the poor or people with low income.
2. The low-income group people visit the shops or weekly markets to buy goods as these goods are available at cheaper rates.

Examples:

People with high income buy green vegetables from multiplexes or malls while poor people purchase green vegetables from small vegetable sellers or from hawkers.

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

Answer:

It is correct that buying and selling can take place without going to a market place. It is done in the following manner.

Examples:

- We can order goods that we need over the telephone and get their delivery.
- Over the internet, we can visit the concerned website and order the products.
- We can pay through internet banking or on the delivery of goods.

2 MARK QUESTIONS

1. Why is a weekly market called so?

Answer: A weekly market is called so because it is held a specific day of the week.

2. Why is there a competition among the shops in the weekly market? [V. Imp.]

Answer: In the weekly market there are many shops that sell the same goods. This creates competition among them.

3. Who is Scunner? What does he do?

Answer: Sameer is a small trader in the weekly market. He buys clothes from a large trader and sells them in six different markets in a week.

4. Give some examples of roadside stalls.

Answer: Vegetable hawker, fruit vendor, mechanic.

5. How are shops in the neighborhood useful?

Answer: These types of shops are close to our home and we can go there any time. As the buyer and seller know each other these shops also provide goods on credit.

6. Where are the goods produced?

Answer: Goods are produced in factories, on farms, and in homes.

7. Why do we not buy directly from the producer? [V. Imp.]

Answer: It is because the producer is not interested in selling goods in small quantities.

8. Who is a retailer? [Imp.]

Answer: A retailer is a small trader who buys goods from the wholesale trader and sells this to the consumer.

9. Who is Aftab?

Answer: Aftab is a wholesaler in the city. He purchases vegetables in bulk and sells them to hawkers and shopkeepers.

10. How are buyers, different people?

Answer: There are many buyers who cannot afford even the cheapest of goods. While others frequently visit malls and buy different items.

11. What is done in the wholesale markets?

Answer: This is where goods first reach and are then supplied to other traders.

4 MARK QUESTIONS:

1. Write in brief about shopping complexes and malls.

Answer: Shopping complexes and malls are usually found in urban areas. These are large multi-storied air-conditioned buildings with shops on different floors. These shops sell both branded and non-branded goods. Fewer people visit malls because they sell costly items. Only well-to-do people can afford to buy these items.

2. What is the job of a wholesale trader? [V. Imp.]

Answer: A wholesale trader buys goods from the producer in large quantities. He then sells them to other traders, say small traders. These small traders sell different items to the final consumer. Thus, the wholesale trader establishes link between the producer and the consumer. It is through these links of traders that goods reach faraway places.

3. How are shop owners in a weekly market and those in a shopping complex very different people? [V. Imp.]

Answer: Both are undoubtedly different people.

(a) The shop owners in a weekly market are small traders who run their shop with little money. On the other hand, the shop owners of a shopping complex are big parties. They have a lot of money to spend on their shops.

(b) What these two types of shop owners earn is also not equal. The weekly market trader earns little compared to the profit of a regular shop owner in a shopping complex.

4. Write a brief note on ‘Aftab—the wholesaler in the city’.

Answer: Aftab is a wholesaler of vegetables. His work usually starts at around 2 o’clock in the early morning. This is the time when vegetables reach the market or mandi and with them start the activities. The vegetables come in trucks, matadors, etc. and soon the process of auctions begins. Aftab participates in this auction and decides what he will buy. He buys vegetables in bulk. After that, he sells them to hawkers and shopkeepers who usually come to him around six in the morning.

7 MARK QUESTIONS

1. Do you see equality in the market? If not, why not? Explain with examples.[V. Imp.]

Or

Write in brief on ‘market and equality’.

Answer: We do not see equality in the market. Big and powerful business persons earn huge profits while small traders earn very little. For example, the shop owners in a weekly market and those in a shopping complex are two different people. One is a small trader who has little money to run the shop. Whereas the other has a lot of money to spend on the shop. The earning of these two people is also unequal. The weekly market trader earns little profit whereas the shopping complex owner gains huge income.

Not only the shop owners are different people, but also the buyers. In the market we see different types of buyers there are several buyers who are not able to afford even the cheapest of goods while others are busy shopping for different luxurious items in malls. Thus, we see no equality in the market place.

2: Explain the concept of a market economy and its features. How does it differ from a planned economy? Provide examples to illustrate your answer.

Answer:

A market economy is an economic system where decisions regarding investment, production, and distribution are based on the interactions of individuals and businesses in the market. Features include:

1. Private Ownership: Resources are owned and controlled by private individuals or entities.
2. Profit Motive: Businesses aim to maximize profits.
3. Price Mechanism: Prices are determined by supply and demand.
4. Competition: Multiple buyers and sellers influence prices and quality.

In contrast, a planned economy is centrally controlled by the government. For example, the US has a market economy where businesses operate independently based on market forces, while countries like North Korea follow a planned economy where the government controls production and distribution.

3: Discuss the role of demand and supply in determining prices in a market. Provide real-life examples to support your explanation.

Answer: Demand and supply are crucial factors determining prices in a market. Demand refers to the quantity of a product consumers are willing to buy at different prices, while supply refers to the quantity producers are willing to sell at various prices.

For instance, when demand exceeds supply, prices tend to rise. A prime example is during the release of new electronic gadgets, where high demand often leads to shortages and increased prices until supply catches up.

Conversely, if supply exceeds demand, prices usually fall. This situation commonly occurs in seasonal fruits and vegetables. When there's a bumper crop, the surplus supply can lead to decreased prices as producers aim to sell their excess stock.

4: Examine the importance of competition in a market. How does healthy competition benefit consumers and the economy? Provide relevant examples to support your argument.

Answer:

Competition is vital in a market economy as it leads to various benefits. Firstly, it encourages businesses to innovate and improve the quality of their products or services to attract customers. For instance, in the Smartphone industry, companies like Apple, Samsung, and Xiaomi continuously innovate to outperform competitors, leading to better products for consumers.

Moreover, competition often results in competitive pricing, benefiting consumers. Airlines competing for customers frequently offer discounted fares, making air travel more affordable.

Additionally, competition prevents monopolies and encourages efficiency. For instance, in the telecommunications sector, multiple providers competing for customers offer better services and pricing than a single monopoly would.

5: Describe the role of the government in regulating markets. Provide examples of government interventions and their impact on market operations.

Answer: The government plays a significant role in regulating markets to ensure fair practices and protect consumers. Examples of government interventions include:

1. **Imposing Regulations:** Governments set standards and regulations to ensure product safety and quality. For instance, food and drug administration's set safety standards for consumables.
2. **Antitrust Laws:** Governments prevent monopolies and promote healthy competition. An example is the breakup of the Bell System in the US to encourage competition in the telecommunications industry.

3. Price Controls: Governments may intervene to stabilize prices of essential goods like medicines or food during crises to prevent price gouging.

4. Subsidies and Taxation: Governments provide subsidies to certain industries or impose taxes to regulate production and consumption. For instance, subsidies in the renewable energy sector promote its growth.

6: Compare and contrast traditional markets with online markets. Discuss the advantages and disadvantages of each, considering aspects like accessibility, convenience, and personal interaction.

Answer: Traditional markets involve physical interactions where buyers and sellers meet face-to-face. These markets offer a personal touch, allowing direct communication and negotiation, which can build trust. However, they might lack convenience due to limited operating hours and geographical constraints.

On the other hand, online markets provide accessibility and convenience. They operate 24/7, allowing customers to shop from anywhere. They also offer a wide variety of products and comparative pricing. However, online markets lack personal interaction, leading to potential issues like fraud or dissatisfaction with product quality.

Multiple Choice Questions

1. Why do people go to a weekly market? Give three reasons.

- a) Goods are expensive and high-quality.
- b) Availability of a variety of goods, cheaper rates, and convenience.
- c) Limited options but reasonable prices.
- d) Luxury shopping experience.

Answer: b) Availability of a variety of goods, cheaper rates, and convenience.

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

- a) Small traders and local producers; lack of interest due to low profit margins.
- b) Big corporations and multinational companies; preference for exclusive markets.
- c) Local entrepreneurs and wholesalers; government restrictions.
- d) Independent craftsmen and artisans; lack of customer interest.

Answer: a) Small traders and local producers; lack of interest due to low profit margins.

3. Why are things cheap in the weekly market?

- a) Low-quality goods are sold there.
- b) Higher taxation policies.
- c) Reduced overhead costs and competition among sellers.
- d) Limited availability of goods.

Answer: c) Reduced overhead costs and competition among sellers.

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

- a) Bargaining involves fixed prices; unfairness arises when quality is compromised.
- b) Bargaining involves negotiation for lower prices; unfairness occurs when the seller is deceived.
- c) Bargaining includes paying the asking price; unfairness arises with hidden fees.

d) Bargaining involves exchanging goods; unfairness occurs with counterfeit products.

Answer: b) Bargaining involves negotiation for lower prices; unfairness occurs when the seller is deceived.

Markets around Us Summary:

The NCERT Class 7 Social and Political Life – II Chapter 7 talks about the following topics:

1. Weekly market
2. Shops in the neighborhood
3. Shopping complexes and malls
4. Chain of markets
5. Markets everywhere
6. Markets and equality

Social and Political Life – II is an important book for the Class 7 Social Science subject. Apart from this chapter, the full set of [NCERT Solutions for Class 7 Social Science](#) is given in the linked article.