

Chp-12 Understanding Markets

Answer Key

GEAR UP

PAGE 172

Modern shopping malls: Big, organised, have branded stores, AC, digital billing, and fixed prices.

Traditional vegetable markets: Small shops or stalls, fresh local produce, bargaining common, more personal interaction.

Weekly bazaars: Temporary, open-air, variety of goods, crowd-heavy, prices often negotiable, lively atmosphere.

PROGRESS MILESTONE

PAGE 173

1. Website
2. Quality
3. digital
4. Boundaries

PROGRESS MILESTONE

PAGE 175

1. (✕)
2. (✓)
3. (✕)
4. (✓)

LET US PRACTISE

PAGES 180–181

- A.
1. (c) A place where buying and selling happens
 2. (c) Negotiate and bargain
 3. (b) Hampi Bazaar
 4. (c) Agreement on price
- B.
1. weekly haat
 2. bulk quantities
 3. Ensure fairness and protect markets
 4. FSSAI (for food packets)
- C.
1. A place where buyers and sellers come together to buy or sell goods and services.
 2. Amazon.
 3. A seller who sells goods in smaller quantities to final consumers.
 4. Maximum Retail Price

- D.**
1. Wholesalers purchase goods in bulk quantities directly from producers or manufacturers and store them in large warehouses called godowns. They supply goods to retailers. Retailers, on the other hand, buy goods from wholesalers and sell them in smaller quantities directly to final consumers.
 2. Weekly markets are pop-up markets that appear only on specific days of the week and disappear by night. They usually offer goods at cheaper prices and allow bargaining. They have many small vendors selling vegetables, handicrafts and daily-use items

Neighbourhood shops are important because they are close to people's homes, open on all days of the week, and allow consumers to buy daily goods conveniently whenever needed.

3. Advantages:

- They offer convenience—customers can shop from anywhere.
- They provide a wide variety of products with 24/7 availability and home delivery.

Disadvantages:

- Consumers cannot physically examine the product before buying.
- There may be delivery delays and risks of fraud.

- E. 1.** Markets exist in different forms such as physical markets, online markets, domestic markets and international markets. Physical markets include neighbourhood shops, weekly haats and shopping malls where consumers can check product quality and enjoy personal interaction. Online markets allow people to shop anytime from anywhere with home delivery and a wide variety of items. Domestic markets operate within a country and make national goods easily available, while international markets allow consumers to access imported products that may not be produced locally. Wholesale and retail markets also help by ensuring a steady supply of goods and making them available in smaller quantities to consumers. Together, these markets make products affordable, accessible and convenient for everyday needs.
- 2.** Wholesalers and retailers play an important role in moving goods from producers to consumers. Wholesalers buy goods in bulk directly from manufacturers and store them in large warehouses or godowns. They understand market demand and supply products to retailers, ensuring continuous availability. Retailers then purchase these goods in smaller quantities and sell them directly to consumers through shops such as grocery stores, salons or garment shops. They form the final link in the distribution chain and make daily-use products easily accessible to households. Sometimes distributors also help when wholesalers cannot reach certain retailers. This entire chain—producer, wholesaler, distributor, retailer and consumer—ensures that goods move smoothly, remain available and reach people in convenient quantities at the right time.
- 3.** Prices in a market are mainly decided by demand and supply. When many people want a product but its supply is limited, prices rise. When supply is high but demand is low, prices fall. For example, mangoes are cheap in summer because supply is high, but expensive in winter when they are rare. Several factors influence price changes, such as the type of market, quality of products, packaging, location and season. Weekly markets offer lower prices and bargaining, while malls have fixed prices. Branded or high-quality products cost more. Prices also vary by time, festivals and availability of goods. Together, these factors cause prices to change regularly, helping consumers understand when and where to buy products wisely.
- 4.** Markets benefit society by supporting economic growth and strengthening social relationships. They connect producers and consumers, enable trade and create jobs for farmers, workers, shopkeepers and transporters. Markets encourage competition, which improves quality and reduces prices. They also support local producers and farmers by providing platforms to sell their goods. Taxes generated from market activities help fund important public services. Socially, markets act as community spaces where people interact and build long-lasting relationships with sellers like tailors, grocers and jewellers. Cultural traditions are preserved through unique markets such as Ima Keithal in Manipur, run entirely by women. Thus, markets play a major role in improving livelihoods, promoting cultural exchange and contributing to overall economic development.

- F. 1. The primary motivation for producers is to generate profit by selling their goods and services at prices higher than their production costs.
2. Four types of producers mentioned are:
- Farmers – growing crops
 - Factories – manufacturing electronics
 - Restaurants – preparing meals
 - Service providers – offering healthcare or education
3. The profit incentive encourages producers to improve innovation, efficiency and quality, because better products help them attract more customers, increase sales and earn higher profits. It motivates them to invest resources and take risks to ensure business growth and sustainability.

ASSERTION-REASON

PAGE 181

1. (a) Both (A) and (R) are true and (R) is the correct explanation of (A).
2. (d) (A) is false but (R) is true.

PICTURE-BASED QUESTIONS

PAGE 181

1. The picture shows a large wholesale market where green lemons or limes are being sold in bulk. Many baskets and piles of these fruits can be seen around the sellers and buyers.
2. A wholesale market is different because it sells goods in large quantities, usually to retailers or small vendors, not directly to individual consumers. Prices are generally lower, and bargaining is common. The market setup is simple and crowded. In contrast, neighbourhood shops or malls sell goods in small quantities, offer fixed prices, provide better packaging and comfort, and are designed for regular customers rather than bulk buyers.

HOTS (HIGHER-ORDER THINKING SKILLS)

PAGE 182

If I were a vegetable seller in a weekly market, I would face several problems every day. I might struggle with irregular customer flow, because sales depend on the day and weather. I may also face competition from many other sellers, which can force me to lower my prices. Setting up and packing my stall daily can be tiring, and lack of proper storage can cause vegetables to spoil quickly.

To improve my situation, I could use better storage methods, such as shade nets or ice boxes, to keep vegetables fresh. I could also build regular customers by offering good quality produce and fair prices, which would help increase sales even during slow days.

LIFE SKILLS

PAGE 181

My choice of shopping place—whether online, in a weekly market, or in a mall – is influenced mainly by price, quality, convenience, and variety. If I want low prices and fresh items, I prefer a weekly market. For branded goods and better quality, I choose a mall. When I need quick and convenient shopping or a wide variety of products without travelling, I prefer online shopping.

To decide the best option, I compare the price, check the quality, and think about how quickly I need the item. I also consider whether I want to see the product physically or whether online information is enough. By balancing these factors, I choose the shopping method that best fits my needs at that moment.

(Answer may vary)