

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Markets Around Us

Q1. Explain how a chain of markets is formed. What purpose does it serve?

Ans.

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Q2. Why are things cheap in the weekly market?

Ans.

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## Markets Around Us

Q1. Explain how a chain of markets is formed. What purpose does it serve?

Ans. Goods are produced in factories, on farms and in homes. However, we don't buy directly from the factory or from the farm. Nor would the producers be interested in selling us small quantities such as one kilo of vegetables or one plastic mug. The people in between the producer and the final consumer are the traders. The wholesale trader first buys goods in large quantities. These will then be sold to other traders. In these markets, buying and selling takes place between traders. It is through these links of traders that goods reach faraway places. The trader, who finally sells this to the consumer, is the retailer. This could be a trader in a weekly market, a hawker in the neighbourhood or a shop in a shopping complex.

It serves a great purpose as it is through these links of traders that goods reach faraway places. It provides employment to large number of people. Factories and producers need not to find their customer directly. It maintains flow of money in the society.

Q2. Why are things cheap in the weekly market?

Ans. Many things in weekly markets are available at cheaper rates. This is because when shops are in permanent buildings, they incur a lot of expenditure – they have to pay rent, electricity, fees to the government. They also have to pay wages to their workers. In weekly markets, these shop owners store the things they sell at home. Most of them are helped by their family members and, hence, do not need to hire workers. Weekly markets also have a large number of shops selling the same goods which means there is competition among them. If some trader were to charge a high price, people would move to another shop where the same thing may be available more cheaply or where the buyer can bargain and bring the price down.