NCERT QUESTIONS WITH SOLUTIONS

1. What are the main features of a market? Recall a recent visit to a market to purchase a product. What are the different features of a market that you observed during this visit?

Ans. A market is a place where buyers and sellers interact to exchange goods and services. The main features of a market include the presence of buyers and sellers, price determination through demand and supply, availability of multiple products, and competition among sellers. During a recent visit to a vegetable market, I observed that there were many stalls selling the same type of vegetables at different prices. Some vendors allowed bargaining, while others had fixed prices. The market was crowded, and fresh produce was being restocked continuously.

2. Remember the epigraph from a famous economist at the beginning of the chapter? Discuss its relevance in the context of the chapter you have read.

Ans. The epigraph at the beginning of the chapter provides insight into how markets function and influence economic activities. It is relevant because it highlights key aspects such as demand and supply, pricing, competition, and the role of buyers and sellers. Understanding the quote helps in relating economic theories to real-life market situations.

3. In the example of buying and selling of guavas, imagine that the seller is getting a good price, and is able to make a profit. He will try to get more guavas from farmers to be able to sell them at the same price and increase his earnings. What is the farmer likely to do in this kind of a situation? Do you think he will start thinking about the demand for guavas in the next season? What is likely to be his response?

Ans. If the seller gets a good price for guavas, he will demand more from farmers. The farmer, noticing the high demand, may try to produce more guavas in the next season to increase his income. He might also consider expanding his farmland, using better farming techniques, or storing guavas to sell when prices rise. However, he will also assess market trends to avoid overproduction, which could lead to lower prices.

4. Match the following types of markets with their characteristics:

Markets	Criteria
Physical market	Goods and services flow outside the nation's boundaries
Online market	Deals in bulk quantities
Domestic market	Serves the final consumers with goods and services
International market	Requires physical presence of buyers and sellers
Wholesale market	Buyers and sellers meet virtually and can transact at any time
Retail market	Lies within the boundaries of a nation

Ans.

Markets	Criteria
Physical market	Requires physical presence of buyers and sellers
Online market	Buyers and sellers meet virtually and can transact at any time
Domestic market	Lies within the boundaries of a nation
International market	Goods and services flow outside the nation's boundaries
Wholesale market	Deals in bulk quantities
Retail market	Serves the final consumers with goods and services

5. Prices are generally determined by the interaction between demand from buyers and supply by sellers. Can you think of products where prices are high despite lesser number of buyers demanding the product? What could be the reasons for that?

Ans. Some products remain expensive despite having fewer buyers due to factors like exclusivity, branding, and production costs. Examples include luxury cars, designer clothing, rare antiques, and limited-edition electronics. These products are priced high due to their uniqueness, high-quality materials, and brand value, making them desirable to a select group of buyers.

6. Look at the real life situation that a retail seller of vegetables encountered: A family came to shop for vegetables. The price of beans that the seller on the cart was offering was? ₹30/kg. The lady started to bargain with the seller to bring the price down to ₹25/kg. The seller protested and refused to sell at that price saying he would make a loss at that price. The lady walks away. The family then goes to a super bazaar nearby. They buy vegetables in the super bazaar where they pay ₹40/kg for the beans that is neatly packed in a plastic bag. What are the reasons that the family does this? Are there factors that affect buying and selling
Which are not directly connected to price?

Ans. The family may have bought vegetables at a higher price from the super bazaar due to convenience, cleanliness, better packaging, or trust in the store's quality. Factors like hygiene, availability of multiple products in one place, and a preference for organized retail stores also influence buying decisions. Sometimes, customers are willing to pay more for perceived quality and shopping experience rather than just focusing on the price.

7. There are some districts in India that are famous for growing tomatoes. However, during some seasons, the situation is not good for farmers. With a large quantity of harvest, there are reports of farmers throwing away their produce and all their hard work going to waste. Why do you think farmers do this? What role can wholesalers play in such situations? What are the possible ways of ensuring that the tomatoes are not wasted, and the farmers are also not at a loss?

Ans. Farmers throw away tomatoes during a surplus season because excessive supply leads to low prices, making it unprofitable to sell them. Wholesalers can help by buying in bulk at a reasonable price and distributing them to different regions. Possible solutions to prevent wastage include setting up food processing industries to make tomato-based products, government support in price regulation, better storage facilities, and linking farmers to alternative markets to ensure they get fair prices.