CHAPTER – 23

MARKETS AROUND US

NOTES:

- We can buy and sell things in a market.
- Everyone buys something and sells something in the market to become better off.
- Buyers and sellers interact to form markets.
- A market is an arrangement that allows buyers and sellers to exchange goods and services.
- Markets can arise whenever a party wants to buy something and another wants to sell.
- A marketplace is a place where goods and services are exchanged.
- **ImaMarket**, **Paona Bazar, Thangal Bazar, Paona International Market, Singjamei Supermarket, Kwakeithel Bazar** etc. are some traditional market places in Imphal.
- A market can be organised as an **auction, as a commodity wholesale market, as a shopping mall or as a complex institute like a stock market.**
- Most markets are regulated by laws and regulations. Sellers should issue cash memos to buyers at the time of transaction. Value added tax has to be paid by the buyer.
- **In barter,** goods are exchanged for goods. This used to be the characteristics of markets before the introduction of money.
- **Bombay Stock Exchange** is a market for shares of companies.
- In **Virtual markets** such as **eBay** buyers and sellers do not interact physically during interaction. They interact through the internet. **Amazon, Flipkart** etc. are examples of **virtual markets** or **online markets.**
- When there are many buyers of a good or a service and a few suppliers of the good or service in question, the demand exceeds supply leading to a price rice. Growing scarcity of a good is associated with rising price.
- When supply exceeds demand, price falls.

- Goods are first **produced** in factories, farms and homes (depending on what type of business it is). However, it does not mean that a consumer needs to visit these places to buy these goods, since the ones making them will not sell in small quantities to an individual buyer.

- This is where **wholesale** traders come in. They are the **intermediaries** between the **producers** and the **final consumers**. They first buy the goods in **bulk** and then sell them to the **retailers**. The amount sold will be in accordance with the demand prevalent. These retailers will finally sell it to the **end consumers**.

- Thus it can be inferred that from factories to consumers, a **chain** is formed. This is called a **chain** of **markets** or **market chain**.
- **Black markets -** Where goods are sold illegally.
- **Grey markets –**Where legal items are distributed through illegal networks.
- A **grey market** is a market in which goods have been manufactured by or with the consent of the brand owner but are sold outside of the brand owner's approved distribution channels—an activity that can be perfectly legal.
- Besides, there are **markets of transport service, market for Medicare service** etc.
- Most of the consumers are highly quality conscious.
- Price is considered a very important factor behind the demand for a good.
- The pricing technique adopted by most retailers is cost plus pricing. A retail price is the retailer's cost plus a mark up amount.
- When the wholesale price rise, the prices in the retail market are also bound to rise.
- **MRP -** (A **maximum retail price** (MRP) is a manufacturer calculated price that is the highest price that can be charged for a product).