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### Ch: MARKET AROUND US

#### Chain of Markets

##### Question 1.

From where do you think shop owners procure their goods?

Answer:

- Goods are produced in Factories, on farms and in homes.
- We do not buy them directly from the factory or from the farm.
- Producers are not interested in selling us goods in small quantities like one kilo of vegetables or one plastic mug.
- The people in between the producer and the final consumer are traders.

The wholesale trader first buys goods in large quantities.

Examples:

- Vegetable wholesale trader does not buy a few kilos of vegetables. He buys them in bulk quantities. He sells them to retailers.
- A retailer purchases vegetables in bulk from the wholesale trader. He sells them in small quantities to the consumers at higher rates.

##### Question 2.

Who is a retailer?

Answer:

In the markets buying and selling takes place between the traders. Through these traders the goods reach faraway places. The trader who finally sells the goods to consumer is the retailer. This could be in a weekly market, a hawker or in a shopping complex.

##### Question 3.

How is chain of markets set up?

Answer:

Chain of markets has visible and invisible links.

- Wholesalers buy the products in bulk directly from the producers.
- Every city has areas with wholesale market from where the goods are supplied to other traders.
- Retailers buy goods in smaller quantities from the wholesalers and take them to different parts of the city.
- The road side hawkers further purchase these goods either from a wholesaler or a retailer to sell it in particular localities.
- Wholesale trader bought large quantity of goods from factory or producers and store them in god owns.

- In this way a chain of markets is set up through which the goods finally travel to reach us.
- Certain services are also sold like this e.g., representatives of various companies go to the retailers or sometimes directly to the consumer to sell their products.

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