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CLASS: VII	SUB: SOCIAL SCIENCE	TOPIC: ECONOMICS	CH-12 (THEME E)

How Buying and Selling Work

A. Tick (✓) the correct option.

1. The ISI mark is used to certify the quality of what kind of products? **Electrical appliances and building materials.**
2. If a seller sets the price of a product very high, what is likely to happen? **They might not sell many of the products.**
3. What is the term for when a buyer in one country purchases a product from a seller in another country? **Import**
4. What does the BEE STAR rating on an appliance tell you? **How much energy it saves.**
5. Which of these is a public good provided by the government? **Public parks and roads**
6. The AGMARK is a quality certification for what kind of products? **Agricultural products**
7. What is the name of the unique market in Imphal, Manipur, that is run entirely by women? **Ima Keithal**

B. Fill in the blanks:

1. The person who wants to buy something is called a **buyer**.
2. The amount of money a buyer is willing to pay is called the **price**.
3. A trade that happens across the borders of different countries is part of an **international** market.
4. The entire process of goods moving from the manufacturer to the final consumer is called the **supply** chain.
5. The AGMARK is a quality certification for **agricultural** products.

6. A **<u>wholesaler</u>** buys goods in very large amounts directly from the producer.
7. **<u>Retailers</u>** sell goods in smaller amounts directly to the final consumer.

C. Write 'T' for true and 'F' for false statements:
1. A 'haat' is another name for a market in Hindi. **True**
2. The share or stock market sells everyday goods like vegetables and clothes. **False**
3. India exports things like aircraft and crude petroleum. **False**
4. Wholesalers buy goods in very small amounts. **False**
5. The government checks the weights and measures of packaged products. **True**
6. Export is when sellers in one country sell their products to buyers in another country. **True**
7. The FSSAI logo on food packets means the food has been tested and is safe to eat. **True**

D. Answer the following questions in brief:

1. What are the three main parts of a market?

The three main parts of a market are the buyer, the seller and the price. Prices are often said by the balance of supply and demand.

2. What is the difference between a need and a want? Give one example of each.

Need - The thing that are essential for our survival such as food, water, clothes, and shelter.

Want - The thing which make life more enjoyable but are not strictly necessary to live such as toys, games, books and entertainment.

3. How does the government ensure the quality and safety of medicines?

The government ensures the quality and safety of medicines by ensuring that medicine companies must follow strict rules and get approvals. The government tests medicines to make sure they meet quality standards and are safe for our health. It also checks the weight and the measures of packaged products to make sure we get the right amount.

4. What is a domestic market? Give an example.

Domestic market is where goods and services are bought and sold within the borders of one country. For example, when a paper mill in India sells paper to a book publisher in India, that's a domestic market transaction.

6. What is the difference between supply and demand?

Demand	Supply
How many people want to buy a product.	How much of a product is available to sell.
It has an indirect relationship with price, i.e., when price increases, demand decreases.	It has a direct relationship with price, i.e., when price increases, quantity supplied increases.

7. What is an aggregator in the context of online markets?
Manufacturers send large amounts of their products to the warehouses of the online businesses. These businesses are called aggregators. When you buy a product on an app or website the aggregator then packs it and send it directly to your home.

E. Answer the following questions in detail:
2. Describe the journey of a product from a producer to a final consumer. Explain the roles of a producer, a wholesaler, and a retailer in the supply chain.
Many people work together to make sure good smoothly from where they are made to where we buy them. This is called the supply chain.

1. **Manufacturers/Producers -** These are the people aur companies that make the goods. They use inputs for production to create products.
2. **Distributors -** Sometimes, wholesalers can't reach all the smaller shops. Distributors help bridge this gap by supplying goods from manufacturers and wholesalers to many retailers.
3. **Wholesalers -** These people buy goods in very large amount directly from the producers or manufacturers. Wholesalers then supply these good to markets called ‘mandi’ and to shops.
4. **Retailers -** These are the shopkeepers who buy goods in smaller amount from wholesalers or distributors. Then they then sell this good directly to us, the final consumers.

3. Compare and contrast physical markets and online markets.
Physical Markets

1. Buyers and sellers meet face-to-face.
2. Customers can see, touch, or even taste the products before buying.

3. Most common type of market.
4. Example: Vegetable market, grocery shop, clothing store.

Online Markets

1. Buyers purchase goods using a mobile phone or computer.
2. Buyers and sellers do not need to meet in person.
3. Products are delivered to your home.
4. Example: Online shopping apps and websites.

5. Why is the government careful when setting maximum and minimum prices? What could be the negative consequences of these price controls?

The government sometimes controls prices to make sure they are fair for both buyers and sellers. This is done to protect people from paying too much for essential goods and to help producers earn enough for their work.

The government must be careful while setting these limits. If the maximum price is set too low sellers, may stop producing the product because it is not profitable. If the minimum price or wages are set too high, buyers may not be able to afford the product, or businesses may face losses.

6. Explain the difference between domestic and international markets. Give examples of what India imports and exports.

Domestic Markets : This is where goods and services are bought and sold within the borders of one country. For example, when a paper mill in India sells paper to a book publisher in India, that's a domestic market transaction.

International Markets : This is when trade happens across the borders of different countries.

1. <u>Export</u>: When sellers in one country sell their products to buyers in another country.

   India exports things like software medicines and engineering goods to countries all over the world.
2. <u>Import</u>: When buyers in one country buy products made in another country.

   India import things like aircraft, crude, petroleum and vegetable oils from other countries.

7. How can a consumer check the quality of a product? Describe the different government certification marks and what each one signifies.

A consumer can check the quality of a product by

1. Checking the brand and label.
2. Looking for the certifications.
3. Observing the material and finish.
4. Comparing product in terms of price, features and durability.
5. Reading the reviews and ratings.

The different government certification marks are

1. **FSSAI (Food Safety and Standards Authority of India) -** Found on packaged food items. Example - Milk, biscuits, juices, and other packaged foods.
2. **ISI Mark (Indian Standards Institution) -** Found on electrical appliances and other products. Example - Electric iron, ceiling fan, and tyres
3. **AGMARK (Agriculture Mark) -** Given to agricultural and food products. Example - Rice, pulses, spices, fruits, and honey.
4. **BEE Star Rating (Bureau of Energy Efficiency) -** Found on electrical appliances. Example - Refrigerators, air conditioners, and televisions.