

Chapter – 12 | Understanding Markets

QUIZ-01

1. A market is best described as:

- A. A place only for selling goods
- B. A place where buyers and sellers interact
- C. A government office
- D. A storage centre (B)

Explanation: Buyers and sellers interact to exchange goods and services.

2. Which of the following is an essential feature of a market?

- A. Advertisement
- B. Fixed prices
- C. Buyer–seller agreement on price
- D. Government ownership (C)

Explanation: A transaction happens only at an agreed price.

3. Why does bargaining usually happen in weekly markets?

- A. Goods are branded
- B. Prices are government-fixed
- C. Prices are flexible
- D. Goods are imported (C)

Explanation: Prices are not fixed and can be negotiated.

4. When supply of vegetables increases but demand remains the same, prices generally:

- A. Increase
- B. Decrease
- C. Remain constant
- D. Become government controlled (B)

Explanation: Excess supply lowers prices.

5. Which type of market allows buyers and sellers to transact without meeting physically?

- A. Weekly market
- B. Retail market
- C. Online market
- D. Wholesale market (C)

Explanation: Online markets enable virtual transactions.

6. Wholesalers mainly:

- A. Sell directly to consumers
- B. Buy goods in small quantities
- C. Buy in bulk from producers
- D. Provide public services (C)

Explanation: Wholesalers buy goods in large quantities.

7. Retailers differ from wholesalers because retailers:

- A. Sell in bulk
- B. Sell to final consumers
- C. Store goods in godowns
- D. Export goods (B)

Explanation: Retailers sell directly to consumers.

8. Which role of the government protects consumers from unsafe products?

- A. Price bargaining
- B. Quality certification
- C. Online reviews
- D. Wholesale trade (B)

Explanation: Government sets quality and safety standards.

9. The FSSAI mark on food products shows that:

- A. The product is cheap
- B. The product is imported
- C. The product meets safety standards
- D. The product is organic (C)

Explanation: It certifies food safety.

10. Markets also have a non-economic role because they:

- A. Only generate profit
- B. Increase taxes
- C. Build social relationships
- D. Replace government services (C)

Explanation: Markets connect people and communities.