

# MARKET

22<sup>nd</sup> April, 2020

-Dr. Bhavna Choudhary  
Assistant Professor,  
Dept of Commerce,

Dada Ramchand Bakhru Sindhu Mahavidyalaya, Nagpur.

# Market is..

- Place where there are many buyers and sellers.
- Actively engaged in buying and selling.
- Contact through different means of communication like letters, telephones etc.
- Thus, it does not mean a particular place but the entire area where buyers and sellers of a commodity are in close contact and have one price of same commodity.

# Characteristics of Market

- **An Area:** A market does not mean a particular place but the whole region where sellers and buyers of a product are spread. . Modern modes of communication and transport have made the market area for a product very wide.
- **One Commodity:** A market is not related to a place but to a particular product. Hence, there are separate markets for various commodities.
- **One Price:** The price of a product is the same in the market because of free competition among buyers and sellers.

# Characteristics of Market

- **Buyers and Sellers:** For exchange at least 1 buyer and 1 seller are needed. In the modern age, the presence of buyers and sellers is not necessary in the market because they can do transactions of goods through letters, telephones, internet, etc.
- **Free Competition:** There should be free competition among buyers and sellers in the market. It is in relation to the price determination of a product among buyers and sellers.

# Classification of Markets

ON THE BASIS OF:

- Area
- Time
- Transactions
- Regulation
- Volume of Business
- Nature of Goods
- Nature of Competition
- Demand and Supply

# On the basis of Area

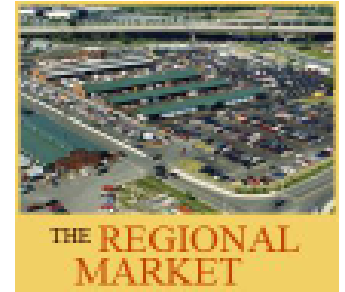
## LOCAL MARKET



If the buyers and sellers of a commodity are limited to a certain local area. They in perishable and semi-perishable goods.

Eg: fish, flowers, vegetables, eggs, milk, and others.

## REGIONAL MARKET



If the buyers and sellers of a commodity are from a wider area may be a district, a state or inter-state. They deal in consumer durables, non durables and industrial products including agricultural produce.

# On the basis of Area

---

## NATIONAL MARKET



When buyers and sellers are not confined to a state boundary, but spread throughout the country. They deal in durable and non-durable consumer goods, industrial goods, metals, forest products, agricultural produce.

## INTERNATIONAL MARKET



When the buyers and sellers are spread across the geographical boundary of a nation and the demand for such commodity is worldwide.

Eg: Market of Gold and Silver

# On the basis of Time

## SHORT PERIOD MARKET

Short period markets are for highly perishable goods.

## LONG PERIOD MARKET

Long-period markets are for durable goods of different varieties that may be produced or manufactured,



# On the basis of Transaction

## SPOT MARKET



In spot market, once the transaction takes place, the delivery takes place.

## FUTURE MARKET



In future market, transactions are finalized pending delivery and payment for future dates.

# On the basis of Regulation

## REGULATED MARKET

A regulated market is one in which business dealings take place as per set rules and regulations regarding, quality, price, source changes and so on.

## NON-REGULATED MARKET

An unregulated market is a free market where there are no rules and regulations; even if they are there, they are amended as per the requirements of parties of exchange.

# On the basis of Volume of Business

## WHOLESALE MARKET

Wholesale markets are those where quantity bought and sold is on large-scale.

## RETAIL MARKET

Retail markets are those where quantity bought and sold is on small-scale.

The dealers are retailers who buy from wholesalers and sell back to consumers.

# On the basis of Nature of Goods

## COMMODITY MARKETS

Commodity markets deal in favour of material, produce, manufactured goods may be consumer and industrial and bullion market dealing precious metals

## CAPITAL MARKETS

Capital market is a market for finance.



(lending and borrowing of money and debentures)



(buying and selling of shares)



(buying and selling of foreign currencies)

# On the basis of Competition

## PERFECT COMPETITION

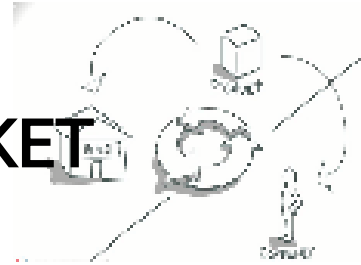
- Large number of buyers and sellers
- Prevalence of single lowest price for products those are 'homogeneous'
- The perfect knowledge on the part of buyers and sellers
- Free entry and exit of firms in market.

## IMPERFECT COMPETITION

- Products may be similar but not identical
- Different prices for a class of goods
- Existence of barriers on movement of goods
- No perfect knowledge of products and other dimensions on the part of buyers and sellers.

# On the basis of Demand and Supply

## CONSUMER MARKET



These markets specialize in selling mass consumer durable and nondurable products and services.

Eg: shoes, apparels, household and so on

## BUSINESS MARKE



This is a market of business buyers and sellers. Business buyers buy goods with a view to make or resell a product to others at a profit.

Eg: raw-materials, fabricated-parts, equipments, supplies and services

# On the basis of Demand and Supply

## GLOBAL MARKET

Global markets consist of buyers and sellers all over the world. Goods and services both consumer and industrial or business

## NON-PROFIT AND GOVERNMENT MARKET

Non-profit organisations like temples, universities, charitable institutions etc. buy through bidding where lowest bid is favoured as there is no alternative considering the limited purchasing power.

**THANK YOU!**