INDIAN SCHOOL AL WADI AL KABIR

Class: VII	Department: SOCIAL SCIENCE	Subject: Economics
Chapter: 12 Worksheet No: 7	Topic: Understanding Markets	Year :2026-27

A) Answer the following Questions: -

Q 1	Who is a retailer? Ans. A retailer is a person or business that sells goods or services directly to consumers in small quantities for their personal use, rather than for resale.
Q 2	How do online reviews help buyers? Ans. Online reviews help buyers make informed decisions by providing honest feedback from other consumers regarding the quality, performance, and reliability of a product or service.
Q 3	Name three benefits of shopping in a physical market. Ans. Three benefits of shopping in a physical market are: 1.Getting the product instantly after purchase. 2.Buyer can touch, feel, or try on the product before buying. 3.Can negotiate prices and get direct assistance from shopkeepers.
Q 4	What is the difference between export and import? Ans. Export: Selling goods or services produced in one's own country to another country. Import: Buying goods or services from another country to be used or sold domestically.
Q 5	How do prices get decided in a market? Give an example. Ans. Prices are primarily decided by the interaction of supply and demand. If demand is high and supply is low, prices rise. If supply is high and demand is low, prices fall. Example: During a festival, the demand for sweets increases. If the shops don't have enough stock, the price of sweets often goes up.
Q 6	Describe how markets, trade, and government rules together ensure that society receives safe and affordable goods. Ans. Markets & Trade: Create competition, which naturally drives prices down and encourages variety. Government Rules: Agencies set safety standards (like the FDA or FSSAI) to ensure quality and prevent the sale of harmful goods. They may also use price caps or subsidies to keep essential items affordable.
Q 7	What are some examples of public goods? Ans. Public goods are commodities or services provided to all members of a society without profit. Examples include: Street lighting, National defense, Public parks, Clean air, Roads and highways.
Q 8	What is the purpose of quality certification marks on products? Ans. Quality certification marks (like ISI, AGMARK, or Hallmark) serve as a guarantee of quality, safety, and reliability. They assure consumers that the product has met specific standards set by a recognized authority.
Q 9	Suppose there were no cold storage facilities for fruits and vegetables. What problems might farmers and traders face? Ans. Farmers and traders might face the following problems:

	• Fruits and vegetables are highly perishable. Without temperature control, they would rot quickly, leading to loss. • To avoid total loss, farmers would be forced to sell their entire harvest immediately causing prices to fall during the harvest season. •High waste and low sales would reduce the profit margins for both farmers and traders. •Traders would be unable to transport produce over long distances, as the items would likely spoil before reaching distant markets or urban centers. •The inability to store surplus food would mean a lack of steady supply for consumers throughout the year, affecting overall food availability.
Q 10	Explain how the different participants in the market (manufacturers, retailer, etc.) are interdependent. What might happen if one part of this chain fails? Ans. Market participants like manufacturers, wholesalers, retailers, and consumers are linked in a "supply chain" where each depends on the other to function: • Manufacturers to Retailers: Manufacturers need retailers to sell their products to the public. Without retailers, they would have no way to reach the mass market. • Retailers to Manufacturers: Retailers depend on manufacturers to provide a constant supply of quality goods. Without products to sell, their stores cannot operate. If one part of the chain fails the following are the consequences- • If a manufacturer fails to produce goods, retailers face empty shelves, leading to lost revenue and frustrated consumers. • If a major retailer goes bankrupt, the manufacturer loses their primary buyer and may be unable to pay their own debts or workers. • Failure in one sector can lead to job losses across the entire chain.
Q 11	Explain the importance of providing public goods. Mention two examples of public goods. Ans. Public goods are essential because they provide benefits to society that the private sector often cannot or will not provide efficiently. They provide • They ensure that basic services are accessible to everyone, regardless of their ability to pay. • Without government intervention, these goods would be under-produced because private companies cannot easily charge individual users for them (the "free-rider problem"). • They provide the foundational infrastructure and security necessary for a functioning society and economy. **Examples** National Defense: Protecting all citizens equally from external threats. Street Lighting: Providing safety and visibility in public spaces for everyone's benefit.
Q 12	What is the difference between wholesale markets and retail markets? Give two examples of each. A wholesale market involves selling goods in large quantities to businesses or retailers rather than individual consumers. A retail market involves selling goods in smaller quantities directly to the end-user (the public). Wholesale Examples: Regional vegetable mandis (like Azadpur Mandi), Costco Business Centers. Retail Examples: Local grocery stores, supermarkets (like Walmart or Spar).
Q 13	What do FSSAI, ISI MARK, AGMARK certify? Why are they important for consumers? • Ans. FSSAI is the apex regulatory body that ensures packaged food products comply with strict safety, hygiene, and nutrition standards. • ISI mark certifies that industrial and consumer products comply with specific safety and quality standards. Eg. LPG Cylinders, electrical appliances etc. • AGMARK certifies the purity and quality of agricultural products. Eg. Honey, spices, edible oils etc.

	Importance of These Marks for Consumers. 1.They prevent the sale of harmful, adulterated, or inferior products. 2.They ensure products are tested against set standards, fostering consumer confidence. 3.They help consumers distinguish between good quality and substandard items. 4.If a product with a, say, falsified ISI mark fails, the consumer has legal recourse to complain against the seller.
Q 14	How does providing public goods like roads and water help markets to grow? Give examples. Ans. Public goods are essential infrastructure that lower the cost of doing business and connect buyers with sellers. Roads: They reduce transportation costs and time. ***Example:*** A farmer can bring fresh produce to a distant city market quickly before it spoils, expanding their customer base. Water and Utilities: Reliable access to water and electricity is necessary for manufacturing and processing. ***Example:*** A textile factory requires a steady water supply to dye fabrics; without this public utility, the factory could not operate efficiently or scale its production.
Q 15	How would you convince someone to buy a product online instead of from a physical market? Ans. To convince a customer to switch to online shopping, you should highlight the following benefits: **Convenience:** You can shop 24/7 from the comfort of your home without traveling or waiting in lines. **Better Pricing:** Online stores often have lower overhead costs, allowing them to offer frequent discounts, coupons, and better prices than physical stores. **Variety and Comparison:** It is much easier to compare different brands, read customer reviews, and access a wider range of products that might not be available locally. **Time-Saving**: Direct home delivery saves the time and effort required to visit multiple physical locations.

B) Read the extract and answer the questions that follows:

The government introduces strict rules that all helmets must have an ISI mark to ensure safety. Shops found selling helmets without this mark are fined.

	Q1. Why is it important for helmets to have the ISI mark? Ans. The **ISI mark** ensures that the helmet has met specific safety and quality standards. It guarantees that the product is reliable and capable of protecting the wearer's head during an impact, which is critical for saving lives. **Q2. How do quality marks protect consumers?** Ans. Quality marks protect consumers by: Ensuring Safety of the product to use and free from hazardous defects. They provide assurance that the product will perform its intended function effectively. They help consumers distinguish between genuine, high-quality products and substandard or counterfeit goods. **Q3. What could happen if there were no checks for product quality?** Ans. Without quality checks, several risks arise: Increased Injuries and accidents. Consumers might spend money on products that break easily or don't work, resulting in a waste of resources. Dishonest manufacturers could flood the market with cheap, unsafe goods.