



<b>Class 11</b>	<b>Entrepreneurship</b>	<b>Unit 5A: Concept of Market</b>
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**Question 1. Answer each of these questions in about fifteen words:**

**(i) What is meant by E-commerce?**

**Answer:** (i) E-commerce is defined as the conduct of industry, trade and commerce using the computer networks.

An electronic communication among enterprises, including customers, suppliers, business partners, government organizations and financial institutions.

**Question 2. Answer each of these questions in about fifty words:**

**(i) Define Market.**

**(ii) Define 'Traditional Markets'.**

**(iii) In what terms, with passage of time, did the industrial activity intensified?**

**(iv) What range of activities business comprise of?**

**Answer:** (i) "The term 'market' is not any particular place in which things are bought and sold But the whole of any region where buyers and sellers are in such free intercourse with one another that the price of the same goods tend to equality easily and quickly."

**(ii) According to the American Market Association:**

• "At every point where a specific commodity is concentrated for sale a market is found".

**(iii) With the passage of time, the industrial activity has intensified in terms of:**

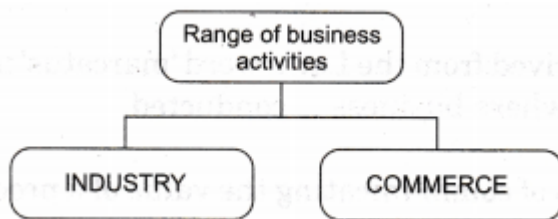
Quantity • Quality

- Variety of the products • Competition
- Awareness on the part of consumers
- Emergence of laws and enactments to protect consumer's interest.

**(iv) Business include the following range of activities:**

(a) Industry, i.e. production and related activities

(b) Commerce, i.e. trade and aids to trade.



**Question 3. Answer each of these questions in about 75 words:**

**(i) Give three points of difference between the Traditional Market and Modern Markets.**

**(ii) Discuss the role of E-business in promoting the business community.**

**Answer:**

<b>Traditional Market</b>	<b>Modern Market</b>
1. It referred to the market as a place.	1. It referred the market as whole region where buyers and sellers are in contact with each other.
2. In traditional marketing, more importance is given on selling the product.	2. Its main motive is customer satisfaction.
3. Here, existing products are imposed on the market through aggressive selling and promotional pressures.	3. It understands the needs and desires of the customer and product is designed accordingly.

**(ii) Following points describe the role of E-commerce :**

- (a) E-business allows quick response to the queries/doubts of various categories of customers and other business houses, thus facilitating sales and customer satisfaction.
- (b) Provides not only the first hand but the latest information about the product related to price, discount, quality, features, range, etc. available to the consumers merely at the click of the mouse.
- (c) It has made it possible to make things available in those areas too where there are no markets around like rural areas.
- (d) Producers are having direct contact with the consumers, resulting in the reduction of middlemen and related cost. Prices have thus decreased.
- (e) Customers can get information and the goods online because of e-commerce, thus saving time, cost and energy.

**Question 4. Answer the question in about 150 words:**

**(i) Differentiate between E-Commerce and E-Business.**

**Answer:**

<b>E-Commerce</b>	<b>E-Business</b>
1. It is defined as the conduct of industry, trade and commerce using the computer networks.	1. It is an electronic communication among enterprises, including customers, suppliers, business partners, government organizations and financial institutions.
2. E-commerce and other electronically conducted business functions such as production, product development, accounting, finance human resource management, etc. are wide in scope.	2. It covers the interaction of the firm with its customers and suppliers, over the Internet.
3. It aims to improve and change business processes.	3. It involves new business models and the potential to gain new revenue or lose some existing revenue to new competitors.

### **MORE QUESTIONS SOLVED**

#### **I. Very Short Answer Type Questions [1 Marks]**

##### **Question 1. What is market?**

**Answer:** The word “market” is derived from the Latin word ‘marcatus’ meaning merchandise, ware, traffic, trade or a place where business is conducted.

##### **Question 2. What is marketing?**

**Answer:** Marketing is the process of communicating the value of a product or service to customers, for the purpose of selling that product or service.

##### **Question 3. What is Barter system?**

**Answer:** ‘Barter system’ is the system where the exchange is of goods with goods only.

##### **Question 4. In olden days, what was referred as market?**

**Answer:** In olden days, buying and selling was done by coming together at periodical fairs held at specific places on particular dates. The exchange was of goods with goods only.

##### **Question 5. What revolutionized the market system?**

**Answer:** The invention of ‘money’ as a means of exchange revolutionized the market system.

##### **Question 6. Traditional concept of market focuses on what?**

**Answer:** Traditional concept focuses that market means a place only, where actual buying and selling takes place.

**Question 7. What changed with reference to market in the fifties and sixties?**

**Answer:** In the fifties and sixties, the size and character of the markets in many countries of the world changed.

**Question 8. What is the purpose of business activity according to Peter Drucker?**

**Answer:** According to Peter Drucker the purpose of business is to create customer and customers do not have geographical boundaries.

**Question 9. What is the orientation of business activity?**

**Answer:** Every business activity is consumer oriented.

**Question 10. In what terms is the business throughout the world changing?**

**Answer:** Business throughout the world is changing in terms of organization, ways of working, use of technology and perspectives, scope and outlook.

**Question 11. Now the world seems to follow what adage?**

**Answer:** Now the world seems to follow the adage "Market means people".

**Question 12. What is said by DYDDY with respect to market?**

**Answer:** Markets are people with money to spend and desire to spend it.

**Question 13. What remains permanent in the market?**

**Answer:** The market is a dynamic and competitive arena, where "The only thing that is permanent is change".

**Question 14. What is E-Business?**

**Answer:** E-Business refers to "Carrying on business activities, both industrial and commercial through computer network i.e. Internet."

**Question 15. Define trade.**

**Answer:** Trade means buying and selling of goods or services.

**Question 16. What is responsible for making the economy strong and stable?**

**Answer:** Markets are responsible for making the economy strong and stable, in itself is a very dynamic concept.

**Question 17. Now the world seems to follow what adage?**

**Answer:** Now the world seems to follow the adage "Market means people".

## II. Short Answer Type Questions [2/3 Marks]

**Question 1. The traditional meaning of market emphasizes on which points?**

**Answer:** The traditional meaning of market emphasis on:

- **Place:** The goods available for sale are bought to a specific place and the buyers of those goods reach those places for buying them.
- **Commodity:** Different markets for different commodities such as vegetable market, food grains market, etc.

**Question 2. How has Clark and Clark defined a market?**

**Answer:** Clark and Clark defined a market as: "In fact, for most commodities, the market must not be thought as a geographical meeting place but as any getting together of buyers and sellers in person by mail, telephone, telegraph or by any other means of communication."

**Question 3. What are the main features of Clark and Clark's definition?**

**Answer:** The market is not taken as a geographical place but a combination of:

- Buyers and sellers
- Given commodity
- Close contact with each other through any means personally, by mail, phone, etc.
- Buyers and sellers are in competition with one another.
- The place or area can be regional, national or international.

**Question 4. What is market in the modern sense?**

**Answer:** A market is the atmosphere of a region in which the forces of demand and supply operate directly or by means of any kind of communication that are sufficient to bring about transfer in the title of the goods and it does not necessarily mean only a place where actual buying and selling is conducted.

**Question 5. What changes are seen in Indian economy after globalization?**

**Answer:** After the opening up of the economy, the pace of change that India and its people are experiencing in their sociocultural milieu is mind boggling. The profile of the Indian market is vastly different from what it was ten years ago. Modern business is facing global competition due to globalization, and increased customer expectation due to changes in technology.

**Question 6. What does the concept of market by DYDDY advocates to?**

**Answer:** The DYDDY concept of market advocates:

- People having money and desire to spend it are taken as market.
- A market cannot exist without people willingness to buy and sell.
- It ignores 'the place of activity'.
- It is practical in today's scenario.

**Question 7. What is the concept of market after the inclusion of E-Business?**

**Answer:**

- 'Market' is emerging as any form where the transaction between the buyer and seller is because of interacting electronically using telecommunication network the world over.
- So the whole world is a potential market, with no requirement of physical presence of a buyer or seller.
- Internet—commerce has broadened the definition, scope and range of markets.

**Question 8. How E-Commerce have resulted in easy launching of new products?**

**Answer:** Any company can launch its new product in the market through the medium of e-business much more easily. Various modes like mails, catalogues, photographs, etc. can help customers understand the product better. Using internet the pictures and the feature can be uploaded for the information of the consumers. This helps the consumers in finding the right product as per their satisfaction.

**Question 9. How E-commerce have resulted in lowering personnel cost?**

**Answer:** The number of personnel or employees required decreases with the help of E-business because a single computer is good enough to do the job of many employees. The job is done more quickly, efficiently and correctly. This leads to helping the entrepreneur increasing efficiency, lower cost of production, increased sales and profit.

**III. Short Answer Type Questions [4 Marks]**

**Question 1. Describe the role of E-business or E-commerce in the developing countries.**

**Answer:** Following points describe the role of E-business in the developing countries:

- **Opportunities:** It is offering great opportunities to developing countries.
- **Entry:** It is helping them to enter the global markets merely at the click of the mouse.
- **Cost effective opportunities:** It is helping business in discovering new cost-effective opportunities not only locally but also internationally.
- **Promotion:** It is playing leading role for the promotion of the business community.

**Question 2. Describe the scope of E-Commerce.**

**Answer:**

- **Business function:** E-commerce and other electronically conducted business functions such as production, product development, accounting, finance human resource management, etc.
- **Interaction:** Covers the interaction of the firm with its customers and suppliers, over the Internet, i.e. it revolves around buying and selling products and services over the internet.
- **Transaction:** The internet users can now order goods, receive their delivery and make their payment while at home, on the internet.

**Question 3. Which points did the Carnot's definition of marketing advocate?**

**Answer:** Carnot's definition of marketing advocated the following points:

- **Region:** Market is not restricted to a particular place but to a region.
- **Access:** The buyers and sellers of the whole region have free access to one another.
- **Price determination:** The forces of demand and supply operate and determine competitive prices.
- **Whole region:** The whole region is taken as a place of market.

**Question 4. What do you mean by Traditional Market?**

**Answer:** Traditional Market involves the marketing method, which emphasizes mainly on the 'Four Ps' principles that comprises of Product, Price, Promotion and Place. A marketer has to consider the 'Four Ps,' before launching a product

or offering a service. In traditional marketing, more importance is given on selling the product. Here existing products are imposed on the market through aggressive selling and promotional pressures.

**Question 5. Give five points of difference between the selling and marketing.**

**Answer:**

Selling	Marketing
1. It is the act of selling the product to customer by hook or crook.	1. It is the act of selling the product to customer by taking into consideration the needs of the customer.
2. It is an execution concept.	2. It is a planning concept.
3. It is quantity oriented.	3. It is consumer oriented.
4. It is a short term process.	4. It is a long term process.
5. It is a traditional concept.	5. It is a modern concept.

#### IV. Long Answer Type Questions [6 Marks]

**Question 1. Describe the role of Role of E-business or E-commerce.**

**Answer: Following points describe the role of E-commerce:**

- **Quick Solution:** E-business allows quick response to the queries/doubts of various categories of customers and other business houses, thus facilitating sales and customer satisfaction.
- **Updated Information:** A company's web-site, which can be accessed anywhere in the world, provides not only the first hand but the latest information about the product related to price, discount, quality, features, range, etc. available to the consumers merely at the click of the mouse.
- **Extending Markets:** Making sales to customers is spread over the different parts of the world. It has made it possible to make things available in those areas too where there are no markets around like rural areas.
- **Shortening of distribution channel:** Producers are having direct contact with the consumers, resulting in the reduction of middlemen and related cost. Prices have thus decreased.
- **Saving time and cost:** Customers now do not have to physically visit the market to purchase goods. They can get information and the goods online because of e-commerce, thus saving time, cost and energy.



- **Less risk in payments:** Payments can be made on the Internet through debit cards, credit cards, E-banking, etc. thus reducing risks involved in the transfer of money.