

Unit - 2

Market and Consumer Protection



Learning Objectives

- ❖ To identify four different types of market structures.
- ❖ To know the differences between each type of market structure.
- ❖ To understand why consumers need protection.
- ❖ To understand the rights of consumers.



Introduction

When we talk about a market we generally visualise a crowded place with a lot of shops and consumers. People are buying different types of goods like groceries, clothing, electronics, etc in the market.

And the shops are also selling a variety of products and services as well. So in a traditional sense, a market is where buyers and sellers meet to exchange their goods and services.

But what is a market in economics? In economics, we do not refer to a market as a physical place. Economists described a market as coming together of the buyers and sellers, i.e. an arrangement where buyers and sellers come in direct or indirect contact to sell/buy goods and services. For example, the market for books will constitute all the sellers and buyers of books in an economy. It does not necessarily refer to a geographic location.

A set up where two or more parties engaged in exchange of goods, services and information is called a market. Ideally a market is a place where two or more parties are involved in

buying and selling. The two parties involved in a transaction are called seller and buyer. The seller sells goods and services to the buyer in exchange of money. There has to be more than one buyer and seller for the market to be competitive.

Features of a Market

In economics, the term market refers to the shops for one commodity or a set of commodities. For example a market for rice, a market for cloth, a market for electronics goods, etc.



1. A market is also not restricted to one physical or geographical location. It covers