



**CLASS - IX**

**SOCIAL SCIENCE (ECONOMICS)**

**UNIT - I THE KHWAIRAMBAND MARKET**

**NOTES**

- A market is the place where buyers and sellers meet for the transaction of goods and services.
- People who buy goods and services are known as consumers.
- A market operates through a natural process of demand and supply.
- Bargaining is a common feature in the market
- Economics deals with production, distribution and consumption of goods and services.
- Production of goods and services requires certain inputs e.g. land, labour, capital and entrepreneurship.
- Revenue is the amount money received by producers from the sale of their products.
- Profit is the amount of money by which revenue exceeds cost.
- Rent in economics is the payment for the use of land.
- Wage is the price paid for the use of labour.
- Interest is the payment for the use of capital.
- Profit is the amount received for taking risk goes to the entrepreneur
- The chain of distribution connects the producers and the consumers.
- A fair distribution system is needed for the welfare of the people.
- Economy is the system in which people get their living.
- Sometimes consumers are befooled by advertisement.
- Goods that are scarce and having economic cost are called economic goods, e.g. Mobile phone, television, etc.
- Goods for which have no economic cost and freely available are called free goods e.g. air, sunshine, seawater etc.
- Price is the amount of money for which goods and services are bought or sold.
- Subsidization means the government providing some amount of money so as to lower the price a commodity.
- Promotional investment is giving free goods to customers with the aim of raising future sales.