

CBSE Class-12 Sociology Test Paper-01
Market as a Social Institution

General Instruction:

- Question 1-5 carries two marks each.
 - Question 6-8 carries four marks each.
 - Question 9-10 carries six marks each.
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1. What is 'invisible' hand?
2. How do sociologists view markets as?
3. Define 'jajmani system'.
4. What is 'Hundi'?
5. When does commodification occurs?
6. Describe the term 'market'.
7. Market has significance much beyond its economic functions. Explain.
8. How were the markets in pre-colonial India?
9. Explain how weekly markets act as a central feature of social and economic organisation.
10. Analyse the changes that has occurred in the characteristics of the weekly markets in tribal areas.

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Market as a Social Institution

1. Invisible hand was used by Adam Smith to refer to the seemingly unforeseen force at work that helps society to overall benefits when individuals pursue their own self-interest. This unseen force at work converts what is good for each individual into what is good for society.
2. Sociologists view markets as social institutions that are constructed in culturally specific ways. For example, markets are often controlled or organised by particular social groups or classes, & have specific connections to other institutions, social processes & structures. Sociologists often express this idea by saying that economies are socially ‘embedded’.
3. Jajmani system refers to the non-market exchange of produce, goods, and services within the (north) Indian village, without the use of money, based on the caste system and customary practices.
4. Hundi is an important instrument of exchange and credit. It is a bill of exchange (like a credit note), which allowed merchants to engage in long-distance trade. Because trade took place primarily within the caste and kinship networks of these communities, a merchant in one part of the country could issue a hundi that would be honoured by a merchant in another place.
5. Commodification (or Commoditisation) occurs when things that were earlier not traded in the market become commodities. For instance, labour or skills become things that can be bought and sold.
6. In this common everyday usage, the word ‘market’ may refer to particular markets that we may know of, such as the market next to the railway station, the fruit market, or the wholesale market.

Sometimes we refer not to the physical place, but to the gathering of people – buyers and sellers – who constitute the market. Thus, for example, a weekly vegetable market may be found in different places on different days of the week in neighbouring villages or urban neighbourhoods.

In yet another sense, ‘market’ refers to an area or category of trade or business, such as the market for cars or the market for readymade clothes. A related sense refers to the demand for a particular product or service, such as the market for computer professionals.

To speak of 'the market' in a general way may refer to not only all of the specific senses mentioned above, but also the entire spectrum of economic activities and institutions. In this very broad sense, then, 'the market' is almost equivalent to 'the economy'.

7. According to Alfred Gell (1982), the anthropologist who studied Dhorai, the market has significance much beyond its economic functions.

The layout of the market symbolises the hierarchical inter-group social relations in this region. Different social groups are located according to their position in the caste and social hierarchy as well as in the market system.

The wealthy & high-ranking Rajput jeweller & the middle-ranking local Hindu traders sit in the central 'zones', & the tribal sellers of vegetables & local wares in the outer circles. The quality of social relations is expressed in the kinds of goods that are bought and sold, and the way in which transactions are carried out.

For instance, interactions between tribals and non-tribal traders are very different than those between Hindus of the same community: they express hierarchy and social distance rather than social equality.

8. It was assumed that India consisted of ancient village communities that were relatively self-sufficient, and that their economies were organised primarily on the basis of non-market exchange.

Much of India's economy was already extensively monetised (trade was carried out using money) in the late pre-colonial period.

While various kinds of non-market exchange systems (such as the 'jajmani system') did exist in many villages and regions, even during the pre-colonial period villages were incorporated into wider networks of exchange through which agricultural products and other goods were circulated.

Recent historical research has also highlighted the extensive and sophisticated trading networks that existed in pre-colonial India. Pre-colonial India had well-organised manufacturing centres as well as indigenous merchant groups, trading networks, and banking systems that enabled trade to take place within India, and between India and the rest of the world.

9. In most agrarian or 'peasant' societies around the world, periodic markets are a central feature of social and economic organisation in numerous ways:

Weekly markets bring together people from surrounding villages those who come to sell their agricultural or other produce and to buy manufactured goods and other items that

are not available in their villages.

They attract traders from outside the local area, as well as moneylenders, entertainers, astrologers, and a host of other specialists offering their services and wares.

In rural India there are also specialised markets that take place at less frequent intervals, for instance, cattle markets. These periodic markets link different regional and local economies together, and link them to the wider national economy and to towns and metropolitan centres.

The weekly haat is a common sight in rural and even urban India. In hilly and forested areas (especially those inhabited by adivasis), where settlements are far-flung, roads and communications poor, and the economy relatively undeveloped, the weekly market is the major institution for the exchange of goods as well as for social intercourse.

Local people come to the market to sell their agricultural or forest produce to traders, who carry it to the towns for resale, and they buy essentials such as salt and agricultural implements, and consumption items such as bangles and jewellery.

For many visitors, the primary reason to come to the weekly market is social – to meet kin, to arrange marriages, exchange gossip, and so on.

10. While the weekly market in tribal areas may be a very old institution, its character has changed over time in numerous manners.

Under the control of the colonial state, the weekly markets in the remote tribal areas were gradually incorporated into the wider regional and national economies.

Tribal areas were 'opened up' by building roads and 'pacifying' the local people (many of whom resisted colonial rule through their so-called 'tribal rebellions'), so that the rich forest and mineral resources of these areas could be exploited. This led to the influx of traders, moneylenders, and other non-tribal people from the plains into these areas.

The local tribal economy was transformed as forest produce was sold to outsiders, and money and new kinds of goods entered the system.

Tribal people were also recruited as labourers to work on plantations and mines that were established under colonialism. A 'market' for tribal labour developed during the colonial period.

Due to all these changes, local tribal economies became linked into wider markets, usually with very negative consequences for local people. For example, the entry of traders and moneylenders from outside the local area led to the impoverishment of adivasis, many of whom lost their land to outsiders.