

**CBSE Class-12 Sociology Test Paper-05**  
**Market as a Social Institution**

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**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. Define virtual market.
2. Give an example of how culture itself may become a commodity.
3. How did the Indian economy got globalised?
4. What does liberalisation include?
5. What does the advocates of marketisation believes in?
6. Discuss the operation of markets in India, from earlier periods to present?
7. Illustrate the importance of the social context to economic processes.
8. Do you agree that the virtual market has conquered time and space?
9. The impact of liberalization has been mixed. Give reasons.
10. Read the passage and answer the questions below: **Pushkar camel fair**  
Come the month of Kartika ..., Thar camel drivers spruce up their ships of the desert and start the long walk to Pushkar in time for Kartik Purnima ... Each year around 200,000 people converge here, bringing with them some 50,000 camels and cattle. The place becomes an extraordinary swirl of colour, sound and movement, thronged with musicians, mystics, tourists, traders, animals and devotees. It's a camel-grooming nirvana, with an incredible array of cornrows, anklets, embroidery and pom poms. The religious event builds in tandem with the Camel Fair in a wild, magical crescendo of incense, chanting and processions to dousing day, the last night of the fair, when thousands of devotees wash away their sins and set candles afloat on the holy water. (From the Lonely Planet tourist guidebook for India, 11th edition)
  - i. What does the passage illustrate? (3)
  - ii. What are the new circuits of goods, services, money, and people that have been created at Pushkar because it is now a part of the international tourist circuit? (2)
  - iii. Can we say that there is a market for spirituality in India? (1)

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1. A virtual market is a market that exists only electronically, and conducts transactions via computers and telecommunication media. The market does not exist in a physical sense, but only in terms of data that are stored electronically.
2. An example of how culture may itself become a commodity is the famous annual fair in Pushkar, Rajasthan, to which pastoralists and traders come from distant places to buy and sell camels and other livestock. While the Pushkar fair continues to be a major social and economic event for local people, it is also marketed internationally as a major tourist attraction.
3. The globalisation of the Indian economy has been due primarily to the policy of liberalisation that was started in the late 1980s. India has entered a new era in its economic history, following the change in economic policy from one of state-led development to liberalisation.
4. Liberalisation includes a range of policies such as:
  - i. the privatisation of public sector enterprises (selling government-owned companies to private companies);
  - ii. loosening of government regulations on capital, labour, and trade;
  - iii. a reduction in tariffs and import duties so that foreign goods can be imported more easily;
  - iv. and allowing easier access for foreign companies to set up industries in India.
5. Those who advocate marketisation believe that these steps will promote economic growth and prosperity because private industry is more efficient than government-owned industry.
6. To understand the operation of markets in India, both in earlier periods and at present, we can examine:
  - i. How specific arenas of business are controlled by particular communities.
  - ii. One of the reasons for this caste-based specialisation is that trade and commerce often operate through caste and kinship networks. For example, as we have seen in the case of the Nakarattars.
  - iii. Businessmen are more likely to trust others of their own community or kin group. They tend to do business within such networks rather than with others outside.

- iv. This tends to create a caste monopoly within certain areas of business.
7. The importance of the social context to economic processes can be illustrated using the example of the Marwaris.
- i. The success of the Marwaris rested on their extensive social networks, which created the relations of trust necessary to operate their banking system.
  - ii. Many Marwari families accumulated enough wealth to become moneylenders. They also acted as bankers and helped the commercial expansion of the British in India.
  - iii. In the late colonial period and after Independence, some Marwari families transformed themselves into modern industrialists. Even today Marwaris control more of India's industry than any other community.
  - iv. They emerge as a new business community under colonialism. It transformed from small migrant traders to merchant bankers to industrialists.
8. Yes, it can be agreed that the virtual market has conquered the time and space.
- i. For instance, NASDAQ, a major electronic stock exchange based in New York operates exclusively through computerised electronic communications.
  - ii. It allows stock brokers and investors from around the world to buy and sell shares in the companies it lists.
  - iii. These transactions are conducted 'in real time'.
  - iv. They take effect within seconds, and they involve no paper – no paper documents or paper currency.
9. Many people argue that liberalisation and globalisation have had, or will have, a negative net impact on India – that is, the costs and disadvantages will be more than the advantages and benefits.
- i. Some sectors of Indian industry (like software and information technology) or agriculture (like fish or fruit) may benefit from access to a global market, but other sectors (like automobiles, electronics or oilseeds) will lose because they cannot compete with foreign producers.
  - ii. For example, Indian farmers are now exposed to competition from farmers in other countries because import of agricultural products is allowed.
  - iii. Indian agriculture was protected from the world market by support prices and subsidies. Support prices help to ensure a minimum income for farmers because they are the prices at which the government agrees to buy agricultural commodities. Subsidies lower the cost of farming because the government pays part of the price

charged for inputs (such as fertilisers or diesel oil).

- iv. Liberalisation is against this kind of government interference in markets, so support prices and subsidies are reduced or withdrawn. This means that many farmers are not able to make a decent living from agriculture.
- v. Similarly, small manufacturers have been exposed to global competition as foreign goods and brands have entered the market, and some have not been able to compete.
- vi. The privatisation or closing of public sector industries has led to loss of employment in some sectors, and to growth of unorganised sector employment at the expense of the organised sector. This is not good for workers because the organised sector generally offers better paid and more regular or permanent jobs.

#### 10. Answers

- i. The passage illustrates the way in which a market – in this case the traditional annual cattle market and fair at Pushkar – can itself become a kind of product for sale in another market, in this case the market for tourism.
- ii. Products, services, or elements of culture that were earlier outside of the market system are drawn into it. While the Pushkar fair continues to be a major social and economic event for local people, it is also marketed internationally as a major tourist attraction.
- iii. Yes, we can say that there is market for spirituality in India. For example, the growing market in the west for yoga and Ayurveda.