

## Examrace

# Market & Criteria for market classification

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Any area over which buyers and sellers are in close touch with one another, either directly or through dealers that the price obtainable in one part affects the price paid in other parts”

- No need for building, can be virtual market
- Vegetable market, shopping mall e.g. big-bazaar, central mall etc.
- Flipkart or Amazon – online market

## Criteria for Market Classification

1. Classification by the “area”:

- Local:
- Regional:
- National:
- International: pepe jeans

Factors:

1. Nature of commodity vs. taste and preferences of people. Determines usefulness or uselessness of the commodity for people of area
  2. Whether or not commodity transportable easily, cheaply and quickly
  3. Commodity is perishable or durable:
  4. Storage facility:
  5. political stability at home and abroad:
2. Nature of transaction:
    - Spot market: goods are physically exchanged on the spot
    - Future market: agreement of future exchange of goods
  3. Volume of business:
    - Wholesale and retail market
  4. on the basis of time:

- Very short period: fixed in supply-perishable in nature-only changes in demand influence prices
- Short period: supply can increased but to a limited extent- durable goods
- Long period: supply can be increased without any limitations- durable goods

5. Status of seller:

- Primary
- Secondary
- Terminal mkt

6. Classification by regulation:

- Regulated market: govt. stipulated certain regulations
- Unregulated market: transactions are left to the market forces

7. Classification on the basis of market structure:

- Sellers
- Buyers
- Nature of product
- Condition of entry and exit

Refer

Find this video at: <https://www.youtube.com/watch?v=UYtoe21HqgQ>

Youtube Video Tutorial on Market and Classification

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