

Types of Markets

Chapter 12: Understanding Markets · Topic 2

Key Concept

Retail markets sell goods directly to consumers in small quantities, like a local shop, while wholesale markets sell goods in large quantities, often to retailers.

Markets can also be classified by competition - a competitive market has many buyers and sellers, while a monopoly market has only one seller controlling the market.

Specialised markets focus on specific goods, like a vegetable market or a jewellery market, while general markets sell a variety of different products.

Understanding different types of markets helps us see how various economic exchanges happen and how prices and availability can differ based on market type.

Quick Revision Notes

- Retail markets sell to consumers in small quantities.
- Wholesale markets sell in large quantities, often to retailers.
- A competitive market has many buyers and sellers.
- A monopoly market has only one seller.
- Specialised markets focus on specific goods, like vegetables.
- General markets sell a variety of products.
- Market type affects prices and availability.
- Understanding market types helps understand the economy.

Practice Questions

- 1 Give an example of a retail and a wholesale market.
- 2 Discuss whether your local market is competitive or has few sellers.
- 3 Find an example of a specialised market, like a fish market.
- 4 Compare a general store and a specialised shop.
- 5 Discuss why understanding market types is useful.
- 6 Research an example of a monopoly, if any exist near you.