



INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : 12

SOLVED SUPPORT MATERIAL

Reference: NCERT

Chapter:3 : THE MARKET AS A SOCIAL INSTITUTION

Text Book

Date of issue

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SOCIOLOGY (039)

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- What is meant by the Phrase ‘Invisible Hand’?** 2
1.
 - i. Each person looks only to their self-interest, but in the process the interest of the society is taken care of.
 - ii. In this sense, there seems to be an unseen force at work that changes what is good for the individual into what is good for the society. This was called the **invisible hand** by Adam Smith.
 2. **How may Caste & Kin networks contribute to the success of a Business?** 4
 - a) According to sociologists there is a close connection between Caste & the economy.
 - b) Vaisyas that make up the third Varna in the Indian Caste system indicate the significance of Business community in India.
 - c) There are some other business communities in India such as the Parsis, Sindhis, Bohras & Jains etc.
 - d) Trade & Commerce generally operate through Caste & Kinship networks in India.
 3. **Explain the meaning of Commoditization with the help of examples.** 4
Commoditization takes place when things that have never been sold become a commodity. Example the sale of Labour, Sale of Human Organs, Sale of Water etc.
 4. **What is meant by Liberalization? Discuss its impact.** 6
It is a process whereby state control over economic activities are minimized or relaxed & left to the market forces to decide. In general it is a process of making more liberal laws & loosening government rules & regulations. Its overall impact is mixed.
For example the software sectors & agriculture are benefited whereas sectors like automobiles, electronics or oilseeds suffer as they cannot compete with foreign producers.
