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of question

10/08/2018

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Intermediaries are often blamed ~~for~~ driving  
a big wedge between prices that consumers pay  
and prices that farmers receive. Evaluate how  
far such criticism is valid.

BLAMED FOR DRIVING A BIG WEDGE :

- 1) Several layers of Intermediaries  
Increases the wedge
- 2) Intermediaries earn without any  
value addition.

VALIDITY OF CRITICISM :

Transport and Marketing require  
Specialised skills, storage. Price wedge  
compares transport cost, processing cost  
and rent.

Farmers have a limited amount of  
time to cultivate on land and thus  
marketing their own crop is difficult  
for farmers. This gives rise to the need  
for Intermediaries.

When viewed from the lens of  
division of labour Intermediaries are  
simply earning the marginal value of  
their services and the risk they bear  
(like Perishability of the goods)

Rise in the price of any goods in  
a region indicates increased demand.

प्रश्न की संख्या  
देविए

उम्मीदवारों को इस  
हार्गिर में नहीं  
लिखना चाहिए

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Intermediaries would then move the goods to that region which includes the high transportation cost of the good, which in turn increases the price of the goods.

The Market demands Intermediaries for transport of goods from one region to another. Rather than focusing on Intermediaries the focus should be shifted to Road construction, Storage facilities and Increased efficiency of Mills.

प्रश्न की संख्या  
दीजिए

उम्मीदवारों को इस  
हिसाब में नहीं  
लिखना चाहिए