

LEARNING STRAND 4 LIFE AND CAREER SKILLS

MODULE 5: UNDERSTANDING THE MARKET SYSTEM

ALS Accreditation and Equivalency Program: Junior High School





UNDERSTANDING THE MARKET SYSTEM

**LIFE AND CAREER SKILLS
MODULE 5**

ALS Accreditation and Equivalency Program: Junior High School
Learning Strand 4: Life and Career Skills
Module 5: Understanding the Market System

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User's Guide

For the ALS Learner:

Welcome to this Module entitled Understanding the Market System under Learning Strand 4 Life and Career Skills of the ALS K to 12 Basic Education (BEC).

This module was designed to provide you with fun and meaningful opportunities for guided and independent learning at your own pace and time. You will be enabled to process the contents of the learning resource while being an active learner.

This module has the following parts and corresponding icons:



Let's Get to Know

This will give you an idea of the skills or competencies you are expected to learn in the module.



Pre-assessment

This part includes an activity that aims to check what you already know about the lesson. If you get all the answers correct (100%), you may decide to skip this module.



Setting the Path

This section provides a brief discussion of the lesson. This aims to help you discover and understand new concepts and skills.



Trying This Out

This comprises activities for independent practice to solidify your understanding and skills of the topic. You may check the answers to the exercises using the Answer Key at the end of the module.



Understanding What You Did

This includes questions that process what you learned from the lesson.



Sharpening Your Skills

This section provides an activity that will help you transfer your new knowledge or skill in real-life situations or concerns.



Treading the Road to Mastery

This is a task which aims to evaluate your level of mastery in achieving the given learning competency.



Don't Forget

This part serves as a summary of the lessons in the module.



Explore More

In this portion, another activity will be given to you to enrich your knowledge or skill of the lesson learned. This also tends retention of learned concepts.



Reach the Top

This part will assess your level of mastery in achieving the learning competencies in each lesson in the module.

Answer Key

This contains answers to all activities in the module.

Glossary

This portion gives information about the meanings of the specialized words used in the module.

At the end of this module you will also find:

References

This is a list of all sources used in developing this module.

The following are some reminders in using this module:

1. Use the module with care. Do not put unnecessary mark/s on any part of the module. Use a separate sheet of paper in answering the exercises.
2. Don't forget to answer the Pre-assessment before moving on to the other activities included in the module.
3. Read the instruction carefully before doing each task.
4. Observe honesty and integrity in doing the tasks and checking your answers.
5. Finish the task at hand before proceeding to the next.
6. Return this module to your ALS Teacher/Instructional Manager/Learning Facilitator once you are through with it.

If you encounter any difficulty in answering the tasks in this module, do not hesitate to consult your ALS Teacher/Instructional Manager/Learning Facilitator. Always bear in mind that you are not alone.

We hope that through this material, you will experience meaningful learning and gain deep understanding of the relevant competencies. You can do it!

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MODULE 5

LET'S GET TO KNOW



Sofia worked as a waitress in a restaurant which got affected by the pandemic. That's why she was invited by her friend Jude to resell succulents. She does not have any background knowledge in selling. She does not even know the kinds of succulents to resell. With the desire to earn amidst the crisis, she accepted the offer.

In this module, you and Sofia will learn about the network of sellers, buyers, and other actors that come together to trade in goods and services.

- **The Market System**
You will be able to describe the main features of the market system. (LS4LC-UM-PSE-JHS-1)
- **Choosing Goods and Services**
You will be able to discuss the different factors that influence choice of goods and services in the market system. (LS4LC-UM-PSE-JHS-3)
- **Pros and Cons of the Market System**
You will be able to identify the advantages and opportunities in the market system. (LS4LC-UM-PSE-JHS-4)
You will be able to discuss the disadvantages and dangers in the market system. (LS4LC-UM-PSE-JHS-5)



MODULE 5

PRE-ASSESSMENT

I. Fill in the Blanks

Directions: Read each statement carefully and fill in the blank(s) with the correct answer. Choose your answer from the words inside the box. Do this activity on a separate sheet of paper.

1. _____ is a place where two parties can gather to facilitate the exchange of products.

Industry	Market	Community
-----------------	---------------	------------------

2. The physical objects that satisfy the needs and wants of the people are called _____.

Goods	Services	Resources
--------------	-----------------	------------------

3. _____ are the actions or activities that one person performs for another person.

Goods	Services	Resources
--------------	-----------------	------------------

4. A person who purchases products for personal use is called a _____.

Regulator	Consumer	Producer
------------------	-----------------	-----------------

5. A _____ is a person or business that makes products.

Regulator	Consumer	Producer
------------------	-----------------	-----------------

II. Enumeration

Directions: Give at least two (2) advantages and disadvantages of market system. Do this activity on a separate sheet of paper.

ADVANTAGES	DISADVANTAGES



LESSON 1

SETTING THE PATH

THE MARKET SYSTEM

At the end of this lesson, you will be able to:



describe the main features of the market system (LS4LC-UM-PSE-JHS-1).



LESSON 1

TRYING THIS OUT

Directions: Study the illustration below and answer the following questions. Do this activity on a separate sheet of paper.



Questions:

7. What do you notice first in the illustration?
8. What kind of people and objects are shown?
9. What does the illustration mean?
10. What have you learned from studying the illustration?



LESSON 1

UNDERSTANDING WHAT YOU DID

CONCEPT OF MARKET SYSTEM

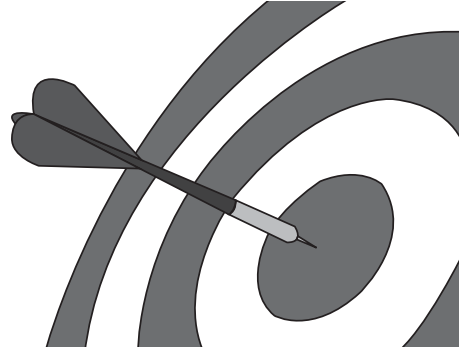


A market system is any systematic process where both buyers and sellers can trade products. A market system can happen physically or virtually. It depends on how the transaction is performed. There are many kinds of market systems, depending on the products being sold and offered. As long as there is an exchange between two players (usually the buyer and the seller), it is considered a market system.

LESSON 1

Participants in the market system may include:

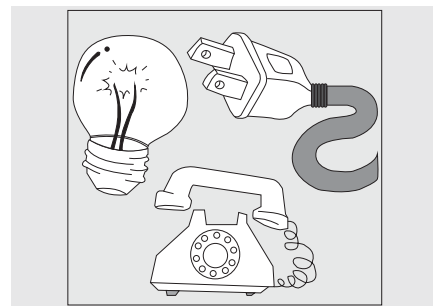
1. **Direct market players** - the consumers, sellers, and producers that keep the market running



2. **Suppliers of supporting goods and services** - those that provide supplies including equipment, banks, and other services needed



3. **Entities that influence the business environment** - include the government for industry rules and regulations and infrastructure providers for technologies such as electricity and telephone services that make transactions possible



LESSON 1

Most market systems use **currencies as a medium of exchange**. These are usually referred to as the 'price' of a particular product. For you to participate in the market exchange, a seller will offer you a specific price for the product that you want, and you will have to give them that price

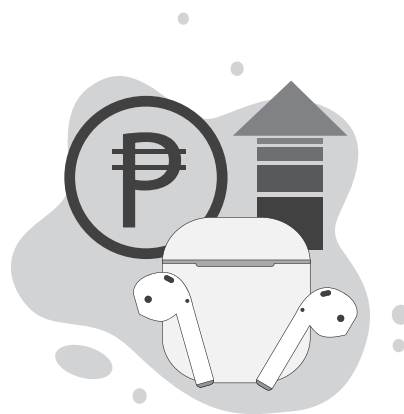


in exchange for the product. This 'price' comes in many forms. In modern times, prices are usually a certain amount of money in a specific currency. In the Philippine market, sellers will ask you to give them Philippine Peso in exchange of the item that you want to purchase. If you can provide the seller the certain amount of Philippine Peso that they want in exchange, you will be able to buy the product.

However, there may be some instances where you are allowed to bid for the product. This means the seller will offer a minimum price for the product that he or she is offering, and interested buyers can compete among themselves as to who among them can give the seller the highest amount

LESSON 1

for the product. The highest bidder gets the product, while other bidding participants can keep their money to themselves. This process can also go the other way around, where sellers compete by making their prices lower to entice their potential buyers to buy the product from them instead of buying them from the other sellers.



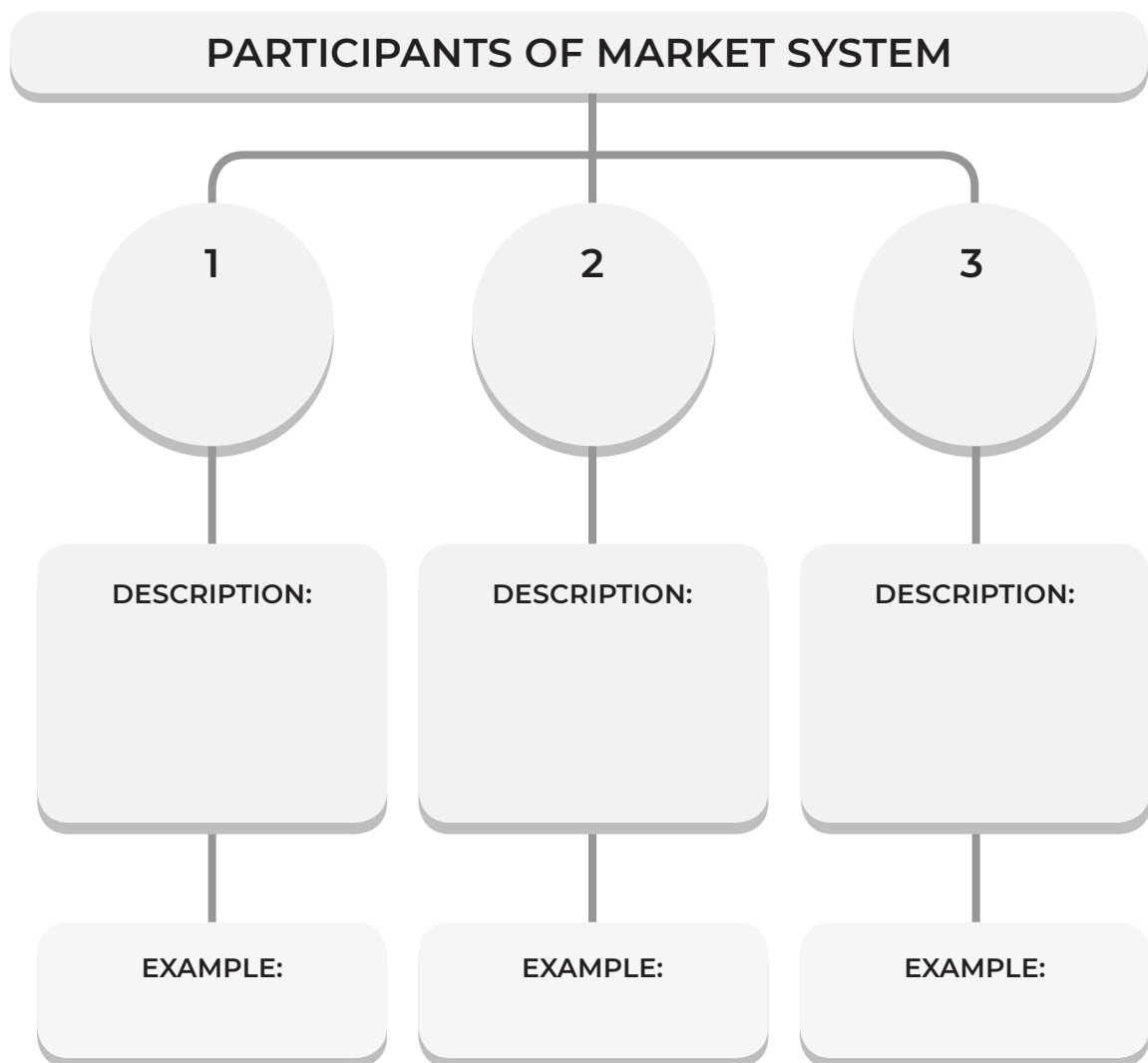
A market can be specific to a particular product, or to a certain type of customers and buyers. If you want to buy a bag, you should find a market that sells bags because some markets only sell fish. If you only have Philippine Peso as your money, you should go to markets that sell bags and accept Philippine Peso as payment. Market systems have unique terms and regulations for trading. But in order for something to be called a market system, there should be an exchange of products between two market players.



LESSON 1

SHARPENING YOUR SKILLS

- I. **Directions:** Name and describe the participants of the market system using the graphic organizer below. Then, cite an example for each participant. Do this activity on a separate sheet of paper.



LESSON 1

II. Directions: Identify whether the given situation is considered a market system or not. Place a check (✓) in the cell if it is a market system. Otherwise, provide a sentence explaining why it is not a market system. Do this activity on a separate sheet of paper.

SITUATION	MARKET SYSTEM OR NOT
1. Jeffrey gets a pair of shoes for paying P2,500 at a shoe store.	
2. Buko Sakali Inc. was not able to supply coconuts to a fruit shake stall because a different supplier won the bidding.	
3. Jasper received a new watch from his grandmother last Christmas day.	
4. Shirts are discounted at 30% off. Linda took the opportunity and purchased five pieces.	
5. Virgilio donated 20 boxes of milk to an orphanage.	



LESSON 1

TREADING THE ROAD TO MASTERY

Directions: Read, analyze, and answer the question below. Write an essay consisting of not more than ten (10) sentences. Your answer will be evaluated using the rubric below. Do this activity on a separate sheet of paper.

?

*How would you describe the market system
in the Philippines?*

Exceeds Expectations (15 points)	Satisfactory (10 points)	Needs Improvement (5 points)
Meaningful response with specific ideas	Sufficiently developed response with enough explanation	Limited response with minimal explanation
Virtually no spelling, punctuation, or grammatical errors	Few spelling and punctuation errors, minor grammatical errors	A number of spelling, punctuation, or grammatical errors

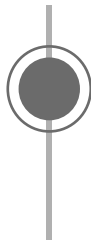


LESSON 2

SETTING THE PATH

CHOOSING GOODS AND SERVICES

At the end of this lesson, you will be able to:



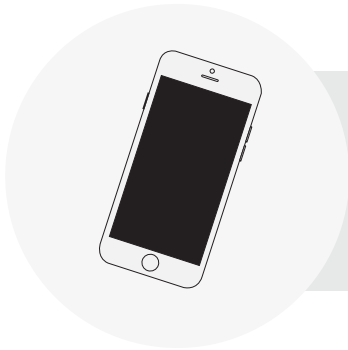
discuss the different factors that influence choice of goods and services in the market system (LS4LC-UM-PSE-JHS-3).



LESSON 2

TRYING THIS OUT

Directions: Think of two (2) possible reasons why you will or will not buy the given products below. Do this activity on a separate sheet of paper.



ANDROID SMARTPHONE



LESS SODIUM LUNCHEON MEAT



STRAWBERRY-DESIGNED UMBRELLA



LESSON 2

UNDERSTANDING WHAT YOU DID

FACTORS INFLUENCING CONSUMER CHOICE

The market system is filled with different types of goods and services that buyers can choose from. Choosing which one to buy depends on a lot of factors. It may be specific for an occasion, or specific to a certain person's preferences. People have different decision patterns when deciding which goods and services to pick. Here are some factors that influence them:

Situational Factors

This involves product or brand familiarity and type of market offerings available for the consumers. If a consumer's favorite brand introduces a new product to the market, the consumer is most likely to purchase the product even if they don't need it. Brand sales and discounts might also affect a consumer's decision-making.



Personal Factors

Individual traits including age, gender, income, educational background, lifestyle, and personality. These factors play a great influence on a person's interest in goods and services as it shapes their traits and preferences.



Psychological Factors

This refers to the motivation of the consumer to buy a product. The consumer might want to buy something because they see it as a reward for themselves, or maybe it's something that they have wanted for themselves because they have seen other people with it. Another thing that falls under the psychological factor is their belief and attitude towards a certain product.



Social Factors

This pertains to the influence of other people, culture, social class, family, friends, and other groups that the consumer is involved with.



Everyone's consumer attitude is different from one another. Your friend may want to buy a burger because he is hungry, while you may want to buy a burger because it's your favorite food. At the same time, the person behind you might want to buy a burger because he's heard about it from other people and he wants to know if the testimonials about it were true. The above-mentioned factors play a key role in the decision-making of different individuals, and some factors may weigh heavier than the others. It depends on which factors are influencing their decision at the moment that they are thinking of which goods and services to buy.



LESSON 2

SHARPENING YOUR SKILLS

- I. Directions:** Determine if the given scenarios show purchases that were made due to situational, personal, psychological, or social factors. Write the letter of your answer in the jar that corresponds to your answer. Do this activity on a separate sheet of paper.
- a. Frank heard that E-phone's latest model was already released and he is planning to get one next week.
 - b. Eya went out to buy Assure Milk for her grandfather. This is part of his daily supplements.
 - c. Janet's favorite actress, Sarah M. is endorsing a new shampoo which she wants to try.
 - d. Jay and Pat have been planning to get their own house and finally got one last payday.
 - e. Our friend, Lisa, sells insurances and we like to avail one to give our support.
 - f. Sketchy shoes are on sale at 60% off. Mom bought three pairs because it will be long until the store goes on sale again.
 - g. Anne's laptop got broken. She will go to the mall to buy a new one because her online classes will start next week.
 - h. After this hectic week, I will reward myself with a tub of ice cream.
 - i. KaKa Milkshake will be having a free upsize next Monday and my friends are planning to avail it.
 - j. On our family reunion, we are asked to wear blue shirts so I have to buy one for myself and for my parents.



II. Directions: Read the article below. Analyze it using the given template as your guide. Do this activity on a separate sheet of paper.

UKAY-UKAY CAPITAL OF THE PHILIPPINES



“Baguio is summer capital only by day. At night, it is the ukay-ukay capital of the country,” said Councilor Elaine Sembrano, chairperson of the city council on market and trade.

Ukay-ukay refers to the act of ransacking through the piles of used imported clothes from Hong Kong, Singapore, Thailand and other southeast asian countries. Its main attraction is its exceedingly low price and the assured quality of the brand such as GAP, Hanes and Levis.

Alicia Onosa, Baguio City Treasurer, said the government earns about P1.2 million monthly from P350 weekly fees paid by vendors, which number around 1,000 after the government crackdown against illegal vendors.

With the onset of the Yuletide season and the expected flock of tourists during the Panagbenga Festival in February, the vendors has formed the Pines City Night Market Vendors Association.

LESSON 2

“We are open to whatever innovations the city government wants to implement for the benefit of the vendors and the buying public, especially foreign and domestic tourists, who are our major patrons,” said Akier Hadjihakim, the association president.

He said vendors earn up to P3,000 daily, depending on their location in the long stretch of the road, but the ukay-ukay are making more because buyers look for cheap but top quality clothes imported from Hong Kong and other countries.

Hadjihakim said about 1,000 people visit the ukay-ukay market every night, but the numbers multiply many times over during the weekends when people from the lowlands go up to the city.

He said people can buy top quality clothes to as low as P20 and signature shoes, pants, jackets, sweaters, shirts that sell at about P3,000 in the malls can be bought in the ukay-ukay at a price of P500.

The ukay-ukay phenomenon started from a need by Baguio residents for winter clothes when the temperature drop to as low as two degrees Celsius from December to January.

Some businessmen imported used winter clothes from Hong Kong, Singapore and other countries which they sold cheap in Baguio. They also brought other items and they unwrap the bundles on a board, allowing the buyers to go through the piles and the wag-wag business was born.

(Article taken from: <https://manilastandard.net/news/provinces/135458/ukay-ukay-capital-of-the-philippines.html#.X3xN8N1NPnc.twitter>)

LESSON 2

Title of the Article:

Background Knowledge: Before reading the article, what are the things that you already know about the topic?

Main Points of the Article: What key points and details have you learned from the article?

Vocabulary: What new vocabulary terms have you picked up from the article?

Questions You Have: What questions do you have in mind after reading the article?



LESSON 2

TREADING THE ROAD TO MASTERY

Directions: Read, analyze, and answer the question below. Write an essay consisting of not more than ten (10) sentences. Your answer will be evaluated using the rubric below. Do this activity on a separate sheet of paper.

?

How do people decide on which goods or services to buy?

Exceeds Expectations (15 points)	Satisfactory (10 points)	Needs Improvement (5 points)
Meaningful response with specific ideas	Sufficiently developed response with enough explanation	Limited response with minimal explanation
Virtually no spelling, punctuation or grammatical errors	Few spelling and punctuation errors, minor grammatical errors	A number of spelling, punctuation or grammatical errors



PROS AND CONS OF THE MARKET SYSTEM

At the end of this lesson, you will be able to:



identify the advantages and opportunities in the market system (LS4LC-UM-PSE-JHS-4); and

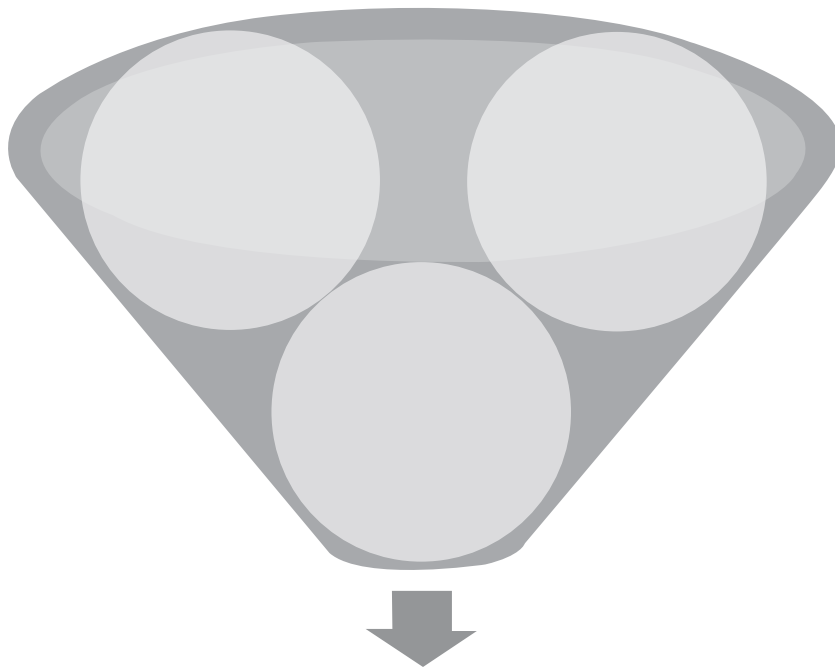
discuss the disadvantages and dangers in the market system (LS4LC-UM-PSE-JHS-5).



LESSON 3

TRYING THIS OUT

Directions: Complete the graphic organizer below by enumerating the characteristics of the kind of market system you want. Place your answers in the circles. Do this activity on a separate sheet of paper.



**THE MARKET SYSTEM
I WANT**



ADVANTAGES IN THE MARKET SYSTEM

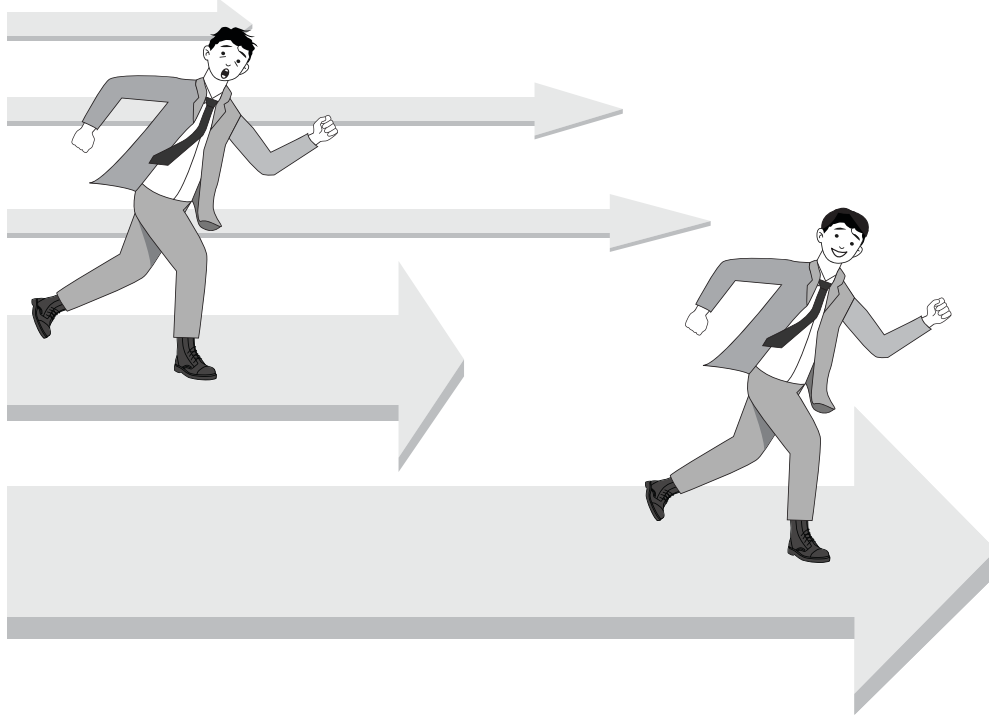
A market system is a place where goods and services are exchanged, and it is also an area where the demands and needs of the consumers can be seen. The goods and services available in the market system reflect the interests of the people who belong to the system. Here are some advantages and opportunities that can be found in a market system:

The market system adjusts to the needs and wants of people



Since the market system relies more on what their customer wants, they would keep up with the demands of their buyers and provide supplies in the market. If they see that the need for a particular product goes high, they also adjust their prices to go higher and become more competitive in the market. If the product is not in demand, they would lower the cost or maintain the product's regular price.

It creates competition



For a market system to survive, it should continually innovate. Having competition means they are challenged to find more strategies and methods that will entice consumers to choose their goods and services. They are challenged to keep up with the demands of the market regularly. If a business fails to meet its consumers' demands, the business is bound to go bankrupt because nobody is buying from them.

Innovation leads to a wider variety of goods and services

Since there is competition and businesses are forced to find more ways to keep their consumers satisfied, they will try to find other products that might entice their consumers. This will allow consumers to have a wider variety of available choices and decide which goods and services they want and need the most. The opportunity to find something more convenient and satisfying is always present, as long as they keep their consumers engaged with their new offerings.

LESSON 3

Basically, the market system has this influence over consumers on which goods and services should they avail. The competition inside the market drives businesses to find the best products for their consumers, while the consumers are given the liberty to decide if the goods and services being offered are things that they need. It is a place where innovation and advancement are in demand. Hence, it helps shape the demands of their consumers and also helps in finding more convenient, satisfying, and even sustainable goods and services.

DISADVANTAGES IN THE MARKET SYSTEM

Much as the market system is an excellent avenue for innovation and progress, it can also have disadvantages and risks that may create an imbalance in the economy. Since the primary goal of the players in the market system is to earn, there may be some choices and sacrifices that they need to make. These sacrifices may do more damage to the economy than we think, here are some factors that show the dangers in the market system:

They don't produce products that are not profitable enough

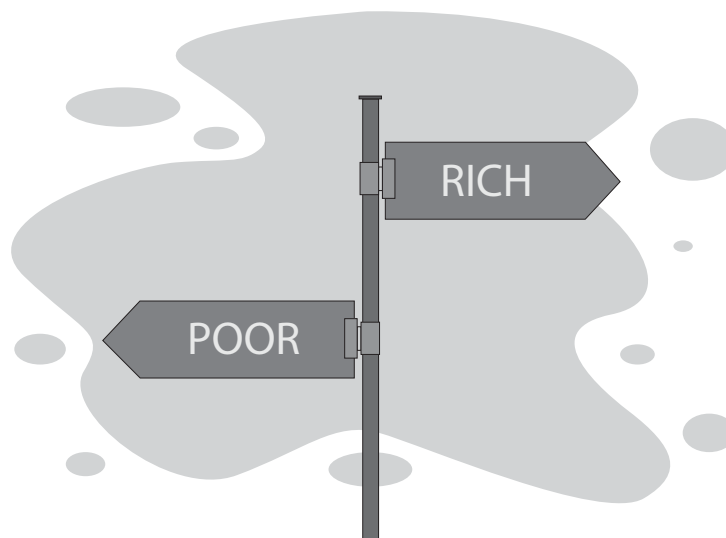
Because of the competition and their goal of being relevant to the demands and needs of the market, they focus more on what the general public wants. Hence, the unique wants and needs of a few individuals may be overlooked. This does not mean that certain items that are not in demand are immediately unavailable, it's just that it may take the consumer more time and effort to look for that product in the market.



Quality may be sacrificed for quantity

Businesses will always try to find a way to reduce costs and maximize profit. One way of doing this is by buying cheaper supplies and selling them at higher prices. Some businesses will prioritize their profit over the general satisfaction of their consumers. The desire for higher profit may also lead businesses to hire averagely skilled workers who demand lower wages than hiring experts who require higher wages, ultimately sacrificing the quality of the goods and services.

The gap between the poor and the rich may increase



Since most of the people who can afford to buy goods and services are those who have enough money and resources to earn money, the market may only focus on catering to the needs and wants of these people. Businesses will design their products according to how these people want it and will price the products based on how much these people are willing to pay. This process tends to neglect the needs of those who are less capable of purchasing. Hence, it makes goods and services less affordable and available to them.

LESSON 3

These factors show how the relationship between the business and consumers may have dangers and disadvantages. Capitalists tend to prefer satisfying those who can give them more profit, forgetting about those who are less able to afford quality goods and services. This system may lead to exploitation in which the poor are left with no choice but to accept what is only within their limits. This is also why some businesses can hire workers for lower wages than average because the poor will jump on any chance to earn money so that they can survive in this economy. Instead of helping the economy thrive, the above mentioned issues, if not addressed, will create more problems to our economy.



LESSON 3

SHARPENING YOUR SKILLS

- I. **Directions:** Identify what particular advantage or opportunity in the market system is being described in the given situations. Write your answer in the box provided. Do this activity on a separate sheet of paper.

<p>Several bicycle companies have been selling mountain bikes since the beginning of pandemic.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>McApple, a famous brand of gadget releases a five-camera phone a week after its competitor made a 4-camera phone available in the market.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>The demand in face shields rose since wearing of it in public places becomes mandatory.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

LESSON 3

II. Directions: Using the word MARKET, create mnemonics using sentences or phrases describing the disadvantages or dangers of the market system. Do this activity on a separate sheet of paper.

M

A

R

K

E

T



LESSON 3

TREADING THE ROAD TO MASTERY

Directions: Read, analyze, and answer the question below. Write an essay consisting of not more than ten (10) sentences. Your answer will be evaluated using the rubric below. Do this activity on a separate sheet of paper.

?

Why is it necessary for you to understand the opportunities and dangers in the market system?

Exceeds Expectations (15 points)	Satisfactory (10 points)	Needs Improvement (5 points)
Meaningful response with specific ideas	Sufficiently developed response with enough explanation	Limited response with minimal explanation
Virtually no spelling, punctuation, or grammatical errors	Few spelling and punctuation errors, minor grammatical errors	A number of spelling, punctuation, or grammatical errors



MODULE 5

DON'T FORGET



- A market system is a physical or virtual place where both buyers and sellers trade products.
- Participants in the market system may include direct market players, suppliers of supporting goods and services, and entities that influence the business environment.
- Most market systems use currencies as a medium of exchange.
- Consumers choose goods and services based on situational, personal, psychological, and social factors.
- The goods and services available in the market system reflect the interests of the people who belong to the system.
- The competition inside the market drives businesses to find the best products for their consumers, while the consumers are given the liberty to decide if the goods and services being offered are things that they need.
- Capitalists tend to prefer satisfying those who can give them more profit, forgetting about those who are less able to afford quality goods and services.





MODULE 5

EXPLORE MORE

For additional activities related to the topics of this module, these resources may be helpful:

What is a Market System

(<https://www.technoserve.org/our-work/what-is-a-market-system/>)

The Market System in Economics

(<https://study.com/academy/lesson/the-market-system-in-economics-definition-characteristics-advantages.html>)

Factors Influencing Consumer Behavior

(<https://www.youtube.com/watch?v=UL6imegssbQ>)

Advantages and Disadvantages of the Market System

(http://www.economicsguide.me/?page_id=373)

Markets, Efficiency, and Price Signals

(<https://www.youtube.com/watch?v=eNxk5-EJFrY>)



MODULE 5

REACH THE TOP

Directions: Read each statement carefully and choose the letter of the best answer to the question. Use a separate sheet of paper for your answers.

1. Which of the following accurately describes a market system?
 - A. The market system process can happen through the internet where the buyer looks for products being sold at a convenient price.
 - B. A market system may involve successful interaction between two entities where one provides a product in exchange of money or another medium of exchange.
 - C. Either A or B
 - D. Neither A nor B

2. Juan is searching for a cheap gadget that he can use to supplement his studies that are held through distance learning. His friend, Pedro, told him to look for a good and affordable product online. Juan eventually purchased a gadget he saw online which is sold by a person named Maria. Considering this scenario, which of the following statements is/are correct?
 - A. Juan is a direct market player because he is the producer in the market system.
 - B. Maria is a supplier of supporting goods and services because she sold the gadget to Juan.
 - C. Pedro is a direct market player because without him, Maria would not have sold her product.
 - D. Both Maria and Juan are direct market players who completed the process of the market system.

3. Which of the following BEST describes 'price' of a particular product?
- A. Price refers to the particular amount and currency that a buyer prepares in exchange of a prospective product.
 - B. Price can only be provided using the same currency as the one set by the seller for the exchange of product to be possible.
 - C. The exact amount of price must be prepared by a person to buy a product.
 - D. In instances when buyers bid for the product, the seller who prepares the higher amount can buy the product.
4. Market system involves completion of transaction between two players. Some markets are specific only to particular products which sell items to certain types of buyers.
- A. The first statement is true. The second statement is false.
 - B. The first statement is false. The second statement is true.
 - C. Both statements are true.
 - D. Both statements are false.
5. Disinfectants such as rubbing alcohols are widely used at home and in many places for the protection from infectious diseases. Your friend asked you to buy an alcohol prepared as a spray so you can bring and use it every day wherever you go. This is an example of:
- A. Situational Factor
 - B. Personal Factor
 - C. Psychological Factor
 - D. Social Factor
6. You bought a new pair of shoes that you have long been wishing to have. This is an example of:
- A. Situational Factor
 - B. Personal Factor
 - C. Psychological Factor
 - D. Social Factor

7. You went to the market to buy fruits for your family. Instead of buying various fruits, you only bought a dozen of apples because you found out that these are sold at an unusually low price. This is an example of:
- A. Situational Factor
 - B. Personal Factor
 - C. Psychological Factor
 - D. Social Factor
8. Which of the following is an advantage of the market system?
- A. A product that becomes less demanded by consumers become lower in cost and pricing.
 - B. Competition in the market system facilitates improvement in the products and systems to keep up with the consumers' demands.
 - C. Sellers must continue to innovate their strategies to improve selling rate and avoid being eventually going bankrupt.
 - D. All of the above
9. Which of the following is a danger in the market system?
- A. Buying cheaper supplies to sell at higher prices.
 - B. Favoring the needs and wants of people based on socio-economic status.
 - C. Neglecting the needs of people who are less capable of purchasing.
 - D. All of the above
 - E. None of the above
10. Maximizing profit by favoring less expensive supplies over their quality is a disadvantage in the market system. Increasing the gap between the poor and the rich will be an advantage.
- A. The first statement is true. The second statement is false.
 - B. The first statement is false. The second statement is true.
 - C. Both statements are true.
 - D. Both statements are false.

ANSWER KEY

PRE-ASSESSMENT

ACTIVITY I

PAGE 2

1. Market
2. Goods
3. Services
4. Consumer
5. Producer

ACTIVITY II

PAGE 3

Advantages:

- It leads to innovation of new products.
- The market system focuses on what the people need.

Disadvantages:

- Suppliers may tend to compromise quality for quantity.
- It may create unhealthy competition.

LESSON 1: THE MARKET SYSTEM

TRYING THIS OUT

PAGE 5

What do you notice first in the illustration?

Answer: There are people and goods.

What kind of people and objects are shown?

Answer: It shows people who buy and sell and the objects are food and flowers.

What does the illustration mean?

Answer: It means people get the things they need like food in places where people sell them.

What can you learn from examining the picture?

Answer: People get the things they purchase through buying.

ANSWER KEY

SHARPENING YOUR SKILLS

ACTIVITY I

PAGE 10

Participants of Market System

1. Direct market players
Description: People that keep the market running
Example: consumers, sellers, producers
2. Suppliers of goods and services
Description: provides supplies and other needed services
Example: suppliers of equipment, banks
3. Entities that influence the business environment
Description: providers of services that make transactions possible
Example: government, infrastructure providers

ACTIVITY II

4. Market System
5. Not
6. Not
7. Market System
8. Not

TREADING THE ROAD TO MASTERY

PAGE 12

Question:

How would you describe the market system in the Philippines?

Possible Answer: The market system in the Philippines uses the Philippine Peso as currency. Exchange of goods from the suppliers to the sellers to its consumers is well-guided by the rules and regulations set by the government and other private entities

ANSWER KEY

LESSON 2: CHOOSING GOODS AND SERVICES

TRYING THIS OUT

PAGE 14

(Answers may vary)

Android Smartphone

- Will buy because I need it for our online class
- Will not buy because my mother's salary is just enough until the next payday

Less Sodium Luncheon Meat

- Will buy because my father's nutritionist advised him to lessen his sodium intake
- Will not buy because we can just choose another viand

Strawberry-designed Umbrella

- Will buy because my Monita's wish list requests for a usable item with strawberry designs on it and I have an extra budget
- Will not buy because it seems overrated for its price

SHARPENING YOUR SKILLS

PAGE 17

ACTIVITY I

Situational Factors:

A. C. F. I.

Personal Factors:

B. G.

Psychological Factors:

D. H.

Social Factors:

E. J.

ANSWER KEY

ACTIVITY II

PAGE 18

Before reading the article, what are the things that you already know about the topic?

Possible Answer: Aside from its climate and products, Baguio City is also well-known of its night market.

What key points and details have you learned from the article?

Possible Answer: Many people would visit Baguio City's night market on search of thrift items in the ukay-ukay stores because it sell high quality items for a very low price.

What new vocabulary terms have you picked up from the article?

Possible Answer: I learned new terms like ukay-ukay, ransacking, and wag-wag.

What questions do you have in mind after reading the article?

Possible Answer:

- Why do people still buy items from ukay-ukay even if they knew the items were not new?
- What are the things that the buyers consider when buying items from the night market?

TREADING THE ROAD TO MASTERY

PAGE 21

Question: How do people decide on which goods or services to buy?

Possible Answer:

We have many factors on how we decide on which goods and services to buy. Most of the time, the goods and services that we buy are highly influenced by what is around us, be it the people or the situation we are in. Whatever factor influences us when we purchase things, we must always remember to just live within our means.

ANSWER KEY

LESSON 3: PROS AND CONS OF THE MARKET SYSTEM

TRYING THIS OUT

PAGE 23

(Answers may vary)

Possible Answers:

- A market system that does not overpriced items
- A market system that is well-regulated by the government
- A market system that creates a healthy competition between its sellers and suppliers

SHARPENING YOUR SKILLS

ACTIVITY I

PAGE 29

1. The market system adjusts to the needs and wants of the people
2. Innovation leads to a wider variety of goods and services
3. It creates competition/ The market system adjusts to the needs and wants of the people

ACTIVITY II

PAGE 30

Possible Answer:

M – Market systems may create an imbalance in the economy

A – A goal of focusing only on what the general public wants and not anymore on the unique needs of the few may be created

R – Rich people are sometimes the only ones who can afford new products

K – Kinds of items that are rare become easily unavailable because the market focuses on producing what is more in demand

E – Economy will face more problems instead of helping it thrive

T – The product's quality may be sacrificed for quantity

ANSWER KEY

TREADING THE ROAD TO MASTERY

PAGE 31

Question:

Why is it necessary for you to understand the opportunities and dangers in the market system?

Possible Answer:

It is necessary for us to understand the opportunities and dangers of the market system because as consumers, we are part of the market system. We must understand how the market system works so that we can also have an idea of how we are going to act as market players. The opportunities and dangers of the market systems may also directly affect us.

REACH THE TOP

PAGE 34

1. C
2. D
3. A
4. C
5. D
6. C
7. A
8. D
9. D
10. A

GLOSSARY

Buyer	a person who intends to buy something
Capitalist	someone who hopes to profit by investing money or financing a business
Consumer	a person who buys goods or services
Currency	a system of money in general use in a particular country
Goods	material things that can be sold
Innovation	a new idea in the form of a method or device
Market	a place where buyers and sellers meet to exchange goods and services
Market system	any systematic process which allows market players to make deals
Medium of exchange	something that is used to pay for products
Producer	a person or company that makes, grows, or supplies products for sale

GLOSSARY

Profit		amount of money that a person gain when he/she is paid more for something than it
Seller		a person who intends to sell something
Services		activities which are offered for sale
Skilled worker		any worker who has special skill, training, knowledge, and ability in their work

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