

ANSWER KEY & MARKING SCHEME · CBSE CLASS 12**The Market as a Social Institution**

Sociology · Chapter 4 · Use this with the Board Paper · Companion to Quick Drill

HOW TO USE

Attempt the Board Paper first (closed-book, full time). Then come here. For 2-mark+ questions, compare your answer to the model. For 3-4 mark questions, also consult the **Topper Templates** below — these show the exact step-by-step structure that scores full marks per CBSE marking-scheme conventions.

MODEL ANSWERS · BOARD PAPER**Section A — VSA (1 mark × 4)****Q1. Who coined the term 'conspicuous consumption'? [1 mark]**| **Ans:** Thorstein Veblen.**Q2. Who studied the weekly haat at Dhorai in Bastar? [1 mark]**| **Ans:** Alfred Gell.**Q3. Name the indigenous bill of exchange used by the Nakarattars. [1 mark]**| **Ans:** Hundi.**Q4. In which year did India liberalise its economy? [1 mark]**| **Ans:** 1991.**Section B — SA-I (3 marks × 2)****Q5. Discuss the weekly tribal market (haat) as a social institution. [3 marks]**

Ans: A HAAT is a PERIODIC (usually weekly) market held in rural and tribal India, where tribals, non-tribal traders, moneylenders and officials gather to exchange goods, credit and information. ALFRED GELL's study of the haat at DHORAI in BASTAR showed that the haat is not merely an economic gathering — its LAYOUT of stalls and the movement of people MAPPED the local social hierarchy: tribals at the periphery, non-tribal traders and moneylenders at the centre. The haat also revealed how OUTSIDE COMMERCIAL INTERESTS — moneylenders charging high interest, traders buying tribal produce cheap and selling manufactures dear — penetrate tribal economies on exploitative terms. It is therefore a textbook example of a market as a SOCIAL INSTITUTION embedded in caste, region and power, not a neutral 'free market'.

Q6. Explain commodification with examples. [3 marks]

Ans: COMMODIFICATION is the process by which something that was NOT previously bought and sold is turned into a COMMODITY — a thing with a market price. The chapter draws on Karl MARX, for whom human LABOUR sold for wages is the foundational case under capitalism. Today commodification extends much further: human KIDNEYS and other organs are traded; SURROGACY services are sold; KNOWLEDGE and education are packaged as products; even traditional rituals and festivals can become paid services. The sociological concern is twofold — commodifying intimate or human spheres CHANGES their meaning, and the process generates new INEQUALITIES, since only some can afford to buy and others are forced by need to sell. Commodification is therefore a key way the market extends its social reach.

Q7. Why do sociologists call the market a social institution? Discuss with Indian examples. [5 marks]

Ans: ECONOMISTS treat the market abstractly as the meeting of supply and demand. SOCIOLOGISTS argue the MARKET is a SOCIAL INSTITUTION — economic exchange is EMBEDDED in caste, kinship, religion, politics and power. (1) The WEEKLY TRIBAL HAAT studied by ALFRED GELL at DHORAI in BASTAR shows the market as a SOCIAL ARENA: its layout maps the local hierarchy and OUTSIDE traders/moneylenders penetrate tribal life on exploitative terms. (2) The JAJMANI SYSTEM tied service-castes (barbers, washermen, potters) to landowning JAJMAN families in a hereditary, non-cash exchange — economic relations were caste relations. (3) Pre-colonial INDIGENOUS trade ran through caste-and-kinship networks: the NAKARATTARS (Chettiers) of Tamil Nadu operated a sophisticated HUNDI banking network across SOUTH-EAST ASIA, with trust and credit organised by caste and family. (4) COLONIALISM reshaped these markets — commercial agriculture, the OPIUM trade to China, deindustrialisation of handlooms. (5) Even today STOCK EXCHANGES (historically dominated by GUJARATI and MARWARI broker communities) and VIRTUAL / E-COMMERCE platforms (Amazon, Flipkart) operate through TRUST NETWORKS, communities and norms. CONCLUSION: at every scale, from the haat to Amazon, the market is a SOCIAL INSTITUTION.

Q8. How did colonialism transform Indian markets? Show both continuity and change. [5 marks]

Ans: Pre-colonial India had sophisticated INDIGENOUS markets and trading networks — NAKARATTAR HUNDI banking across South-East Asia, the JAJMANI system in villages, caravan trade across the subcontinent. Colonialism did NOT bring 'the market' to India; it REORGANISED Indian markets to serve British and global capitalist interests. (1) COMMERCIALISATION OF AGRICULTURE: peasants were forced into CASH CROPS — INDIGO, COTTON, jute, OPIUM — for British and world markets, on highly exploitative terms. (2) The OPIUM TRADE: opium grown in eastern India was shipped to CHINA as a key prop of colonial revenue, integrating India into a global capitalist circuit. (3) DEINDUSTRIALISATION: cheap British factory textiles flooded India and undermined HANDLOOM and other crafts, devastating millions of artisans. (4) NEW INSTITUTIONS: RAILWAYS, BANKS, joint-stock companies and a colonial legal system reshaped how markets worked and protected British commercial interests; indigenous networks like the Nakarattars were absorbed or displaced. CONTINUITY: caste-and-kinship trust networks survived and continue to underpin Indian business today. CHANGE: forced cash-cropping, deindustrialisation, global integration on British terms. CONCLUSION: modern Indian markets are unintelligible without the colonial hinge — continuity AND change together.

Q9. Explain commodification and conspicuous consumption with examples. [5 marks]

Ans: Karl MARX argued that under CAPITALISM goods are produced as COMMODITIES for exchange and human LABOUR itself is sold as a commodity. As capitalism spreads, the chapter argues, more and more spheres of life are drawn into the market — a process called COMMODIFICATION. COMMODIFICATION means turning into a COMMODITY (a thing bought and sold for a price) something that was NOT previously bought and sold. Examples: human LABOUR; KIDNEYS and other organs; SURROGACY services; BLOOD; KNOWLEDGE and education packaged as products; even traditional rituals turned into paid services. The sociological worry is twofold — commodifying intimate or human spheres CHANGES their meaning, and it generates new INEQUALITIES. Thorstein VEBLEN added another dimension. He observed that the well-off do not consume simply to satisfy needs — they consume CONSPICUOUSLY, in ways visible to others, precisely to DISPLAY SOCIAL STATUS. Buying luxury cars, branded clothes, gold, lavish weddings and designer phones signals wealth and standing. CONSPICUOUS CONSUMPTION is defined NOT by how much is spent but by its SOCIAL-SIGNALLING function. CONCLUSION: together commodification and conspicuous consumption show the market as a SOCIAL institution — it does not merely satisfy needs; it MAKES new commodities and ASSIGNS status, shaping social relations and inequalities.

★ TOPPER TEMPLATE — 5-mark: 'Why / how is the market a social institution? Discuss with examples.'

Annual

Step 1 [1 mark]	Set up the sociological claim	Economists treat the MARKET as an abstract mechanism of supply and demand. SOCIOLOGISTS argue the market is a SOCIAL INSTITUTION — economic exchange is EMBEDDED in social relations of caste, kinship, religion, politics and power. The chapter proves this through Indian examples ranging from the weekly tribal HAAT to the stock exchange.
Step 2 [1 mark]	Haats — Alfred Gell on Dhorai	ALFRED GELL's study of the weekly haat at DHORAI in Bastar showed that the market is also a SOCIAL ARENA. Its very LAYOUT mapped the local social hierarchy — tribals, non-tribal moneylenders, traders and officials — and revealed how outside commercial interests penetrate tribal economies. The haat is not a 'simple' market; it is a textbook case of an institution.
Step 3 [1 mark]	Caste + kinship networks — Nakarattars	Pre-colonial INDIGENOUS trade in India ran through CASTE-AND-KINSHIP networks. The NAKARATTARS (Chettiars) of Tamil Nadu ran a sophisticated HUNDI banking system across South-East Asia, in which trust, credit and partnerships were organised through caste and family. The JAJMANI system tied artisans and service-castes to landowning patrons. These show economic life embedded in social structure.
Step 4 [1 mark]	Colonialism + commodification + status	Colonialism RESHAPED Indian markets — forcing commercialisation of agriculture (indigo, cotton, OPIUM to China), deindustrialising handicrafts, integrating India into a global market on British terms. Today COMMODIFICATION extends the market into kidneys, knowledge and surrogacy; Thorstein VEBLEN's CONSPICUOUS CONSUMPTION shows even buying signals status.
Step 5 [1 mark]	Globalisation + conclude	LIBERALISATION (1991) and GLOBALISATION brought Coca-Cola and Pepsi back, built outsourcing and IT, and reshaped urban labour and consumption. STOCK EXCHANGES and VIRTUAL/E-COMMERCE markets are equally social institutions — trust, communities and norms still organise them. CONCLUSION: in every form — haat, hundi, stock exchange, Amazon — the market is a SOCIAL INSTITUTION.

COMMON LOSS OF MARKS:

- Defining only the economic view; missing the sociological argument.
- No Indian examples (haat, Nakarattars, jajmani).
- Forgetting to name Alfred Gell / Dhorai.
- No mention of colonialism or globalisation.

★ TOPPER TEMPLATE — 3-mark: 'Discuss the weekly tribal market (haat) as a social institution.'

2018, 2021, 2023

Step 1 [1 mark]	Define the haat	A HAAT is a periodic (usually weekly) market held in rural/tribal India where tribals and non-tribals buy, sell and exchange goods, credit and information. It is the everyday face of the market in tribal India.
Step 2 [1 mark]	Alfred Gell's Dhorai study	ALFRED GELL studied the haat at DHORAI in Bastar (Chhattisgarh). He showed that the LAYOUT of stalls and the movement of people MAPPED the local social hierarchy — tribals at the periphery, non-tribal moneylenders/traders at the centre, officials nearby — so the haat is also a SOCIAL and POLITICAL space.
Step 3 [1 mark]	Why it matters	The haat exposes how OUTSIDE commercial interests (moneylenders, traders) penetrate tribal economies, often on exploitative terms. It is the chapter's central proof that even a 'simple' weekly market is a SOCIAL INSTITUTION embedded in caste, region and power.

COMMON LOSS OF MARKS:

- Treating the haat only as a fair or rural shop.
- Forgetting to name Alfred Gell and Dhorai.
- Not connecting it back to 'market as a social institution'.

★ **TOPPER TEMPLATE — 5-mark: 'Explain commodification and conspicuous consumption with examples.'**

2019, 2022

Step 1 [1 mark]	Frame: capitalism + the market spreads	Karl MARX argued CAPITALISM transforms goods into COMMODITIES produced for the market. As capitalism spreads, more and more spheres of life are drawn into the market — a process the chapter calls COMMODIFICATION.
Step 2 [1.5 marks]	Define + examples of commodification	COMMODIFICATION means turning into a sellable commodity something that was NOT previously bought and sold. Examples: human LABOUR sold for wages; KIDNEYS and other organs traded; SURROGACY services; KNOWLEDGE and education packaged for sale; even traditional rituals and festivals turned into paid services. The sociological concern is that commodifying intimate or human spheres CHANGES their meaning and produces new inequalities.
Step 3 [1.5 marks]	Define + examples of conspicuous consumption	Thorstein VEBLER coined CONSPICUOUS CONSUMPTION: consumption done to DISPLAY social status. People buy visibly expensive cars, branded clothes, big weddings and gold not just for use, but so that OTHERS see and infer their wealth. It is not the amount but the SOCIAL-SIGNALLING function that defines it. Modern advertising relies heavily on this logic.
Step 4 [1 mark]	Link + conclude	Together commodification and conspicuous consumption show the market as a SOCIAL institution: it does not merely satisfy needs — it MAKES new commodities and ASSIGNS status. The market shapes social relations, identities and inequalities.

COMMON LOSS OF MARKS:

- Defining commodification as just 'buying and selling'.
- Calling conspicuous consumption 'spending a lot'.
- No attribution to Marx / Veblen.
- No concrete examples (kidneys, surrogacy, luxury cars).

★ **TOPPER TEMPLATE — 5-mark: 'How did colonialism transform Indian markets?'**

2020, 2024

Step 1 [1 mark]	Set up	Pre-colonial India had sophisticated INDIGENOUS markets and trading networks — NAKARATTAR hundi banking, the jajmani system, caravan trade. Colonialism did not bring 'the market' to India; it REORGANISED Indian markets to serve British and global capitalist interests.
Step 2 [1.5 marks]	Commercialisation of agriculture + opium	The colonial state forced COMMERCIALISATION OF AGRICULTURE: Indian peasants switched to cash crops (indigo, cotton, jute, opium) for British and global markets, often on exploitative terms. The OPIUM TRADE — opium grown in eastern India, shipped to CHINA — was a key prop of colonial revenue and a vivid example of the global integration of Indian markets.
Step 3 [1.5 marks]	Deindustrialisation + new institutions	British manufactures (especially textiles) flooded India, undermining HANDLOOM and other crafts — DEINDUSTRIALISATION. New institutions came in: railways, banks, joint-stock companies, and a colonial legal-administrative apparatus that protected British commercial interests. Indigenous networks like the NAKARATTARS were absorbed into, or displaced by, these new structures.
Step 4 [1 mark]	Conclude — continuity and change	Indian markets show CONTINUITY (caste and kinship networks survived) AND CHANGE (forced cash-cropping, deindustrialisation, integration into a world market on British terms). The colonial moment is the hinge for understanding modern Indian markets.

COMMON LOSS OF MARKS:

- Saying the British 'brought markets' to India (they reshaped existing ones).
- No mention of opium / China / cash crops.
- Forgetting deindustrialisation of handlooms.
- Missing continuity-and-change conclusion.

MARKING SCHEME — GENERAL NOTES

- Market answers MUST state the sociological claim — exchange embedded in caste/kinship/religion/power — for full marks.
- Attribute the haat study to ALFRED GELL at DHORAI / BASTAR.
- Specifics carry marks: NAKARATTARS + HUNDI, JAJMANI, OPIUM TO CHINA, deindustrialisation, COCA-COLA/PEPSI, 1991 liberalisation.
- Commodification answers should name MARX; conspicuous consumption answers MUST name VEBLER.
- 5-marker conclusions earn 1 mark.