

MARKET AND ITS INFRASTRUCTURE

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Market economy – social form of economy organization which is based on commodity production, guarantees the interaction between production and consumption with the help of the market.

Market: essence functions and structure.

Market in the wide sense combines several ideas.

Firstly, this is any place of selling commodities and services (market, shop, store etc.).

Secondly, market is a totality of trade processes, acts of purchase and sale, which are characterized by such features as type of the selling goods, sales volume, trade procedure, price level. Here the market is determined as trade in the wide sense, as market process joining seller and buyer.

Thirdly, market – is a system of economic relations, which appear between their participants in the process of purchase and sale, on the base of stable interaction of commodity and money circulation.

Market – is an exchange, which is realized by the laws of commodity production and circulation (that is, commodities exchange happens as a result of their social estimation. It's shown in the commodities and services price). That's why market is a mechanism of coordination of various people activity by the set of prices.

Besides market, market economy includes production, commodities and services distribution, prediction and regulation of state economy.

“Ideal “ marketing model includes such elements:

-freedom of enterprise and full responsibility of the economic activity results;

-competition, absence of any kind of monopoly;

-absolute mobility of all kinds of the economic resources;

-autonomous activity of all market subjects;

-freedom of price formation;

-full awareness of all market subjects about market condition;

-stability of state financial system, openness to the foreign market, political stability of the country.

The value of this model is that, it helps to understand the essence of market, market economy and its peculiarities in comparison with economic relations of the command –administrative system. Market helps to solve triads of economic problems: what to produce, how to produce

commodities and services and for whom to produce. Market supplies the correlation between production and consumption, proportionality of reproduction process, its integrity

The essence of the market uncovers in its functions.

Regulative function. State uses such economic regulators as taxes, credit, prices, different economic standards, state order.

Stimulate market function is shown in the most optimum production factors use with the aim of increase of its effectiveness. Distributive function is shown in, that market has functions of exchange and distribution of material and mental benefits.

Integrant market function is shown in creation the economy of the country as a single whole in development of the horizontal and vertical ties between users, branches, regions, and also in development of the external economic links with other countries.

Market infrastructure.

According to the territorial feature we can distinguish local, national and world market. According to the character of selling – wholesale and retail market.

According to the degree of competition organization we can distinguish market of perfect competition with free price formation and market of imperfect competition, which includes market of pure monopoly, market of monopolistic competition and oligopoly market.

According to the economic fixing of market relations objects we can distinguish: means production market, commodities and services market, housing market, market of innovations (science – technical elaborations and information), labour market, money – market, market of mental, intellectual products, financial market, which includes market of capital investment and stock market (market of security), market of personal services and public utilities.

Modern market of developed countries is characterized by stabilization of economic relations between market subjects on the basis of their fusion. Subjects of business relations (when they keep the aspiration to the mutual rivalry) are interested in monopoly economics counteraction by means of further development of fusion process and strategic search. The strengthening of business relations democratization assists it.

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