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*The Implication of Price In Competitive Market*

(A Case Study of Maiduguri (Nigeria Market)

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THE IMPLICATION OF PRICE IN COMPETITIVE  
MARKET  
(A CASE STUDY OF MAIDUGURI (MONDAY MARKET))

BY

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## • ABSTRACT.

This research work deals with the marketing strategies in retail businesses with particular reference to Maiduguri Monday Market. The features of a pure competitive Market has been clearly pointed out in the introductory part to see whether Monday Market responds to the features or not of pure competition or not.

From the research carried out, we have discovered that Monday market does not only buy and sell goods but also provides services to individuals i.e security and banking services for the maximum safety of the traders within the market.

It has also been discovered after a comprehensive survey that Monday market does not actually fit into a perfect competitive market because of the violation of the characteristics of pure competition.

Furthermore, investigation reveals that an improvement should be made concerning the activities of the Monday market, especially as relates its entry policies so that firms with interest together with potential investors can enter the market with ease. Lastly, the sanitary conditions of the market should also be improved upon as well as that of the shops. Enough space should be provided to recommended sellers who may prefer to operate within the market premises and also to those who will prefer to erect their own temporal structures instead of making use of the structures provided by the market authorities.

# DEDICATION

## APPROVAL PAGE

THIS PROJECT HAS BEEN READ AND APPROVED BY THE EXAMINERS AS HAVING MET THE STANDARD REQUIREMENTS SPECIFIED BY THE DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT STUDIES FOR THE AWARD OF NATIONAL DIPLOMA IN BUSINESS MANAGEMENT.

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12/9/2000  
DATE

# DEDICATION

**THIS WORK IS DEDICATED TO GOD ALMIGHTY, TO MY LATE  
MOTHER AND MY ENTIRE FAMILY . TO MR BEMSEN AGENA AND  
MY CHILDHOOD FRIEND NALOM GUWAL.**

# ACKNOWLEDGEMENT

My gratitude goes to God Almighty for his love and protection. And to my beloved parents for their love and care for me throughout my life time.

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## CHAPTER ONE

### 1.1 INTRODUCTION

In the past and present times, economists have succeeded to go into two important basic models for use in the study of market situations.

One of these models is used for perfectly competitive markets and the other one is used for monopoly markets.

However, more emphasis will be made on perfect competitive markets because it is referred to as the price taker. That is, the market takes price as it comes and one could hardly tamper with this.

The marketers therefore believe that without price, there is no marketing. Goods manufactured must be priced. If the pricing decisions are faulty, the aim is defeated. Thus, the pricing decision is important for two main reasons. Price affects the margin of the total revenue, and it also affects the quantity of goods sold. Secondly, price becomes important in a situation where there exists limited supply of goods and services in relation to our desire for them.

This is true, because anyone of several situations such as shortages may prompt a firm to change its price. As cost increases, a firm may decide to maintain or even increase its price rather than reducing the quality; and embark upon aggressive promotion of the products.

The high costs of raw materials, labor and overhead expenses has presently forced many companies and business communities to increase prices to the detriment of final consumers.

In fact, there are good reasons to justify price increase. The most important reason could be to achieve a break-even point or to cover costs. Price is generally raised during

shortage of raw materials, labour and other inputs. Although firms are mindful about upward trend in production cost, they try to devise ways of controlling costs. One of such measures is to reduce the production of items that have low profit margin on their product lines. However, care must be taken so as not to drop products that customers most desire. Another control measure is to analyze a company's marketing mix so as to identify areas of high costs – customers, sales territories and products. The measure can be taken to reduce any of these costs.

## 1.2 HISTORICAL BACKGROUND

Monday Market is the Central Market of Maiduguri and it is well known even beyond the national boundaries. Traders from Dumaguram (Chad) and Marwa (Cameroun) e.t.c come to trade in this market.

The market in the history of Borno State was established in the central position of the town near the Shehu's Palace. That is, the present site of Maiduguri Metropolitan Council's Works Department. But due to the growth of the Metropolitan Council's, the market was moved to its present location.

The Administration of Monday Market used to be the sole responsibility of the local authority up to 1984. However, this was changed with the transformation of the market into modern market.

The idea of constructing a modern market complex for Maiduguri was conceived in 1972. However, it was after a fire disaster in 1979 that the idea came into reality. Actual work on the Monday Market started in 1979 and the State Government had to shoulder the responsibility of constructing the market.

It was the state ministry for Local Government and Community Development that handled the planning and execution of the market construction. The contract was awarded to SONGHAI NIG LTD, an Indigenous Construction Company based in Maiduguri, while

services of other sub-contractors were also employed. PINDAR KWAJAJA Handled the erection of stands, construction of overhead tanks and roofing while JOS HASSAN Handled works on underground reservoir and pumps.

The construction of the market complex was completed in 1985. It was commissioned on 14<sup>th</sup> August, 1985 by the former Governor of Borno State, General Abubakar Waziri.

The Administration of Monday Market is presently run by a Market authority which was established through Edict No.4 of 1984.

The Monday Market Company was incorporated on 24<sup>th</sup> November 1987. The company is Headed by a General Manager. It has a company secretary and five departments which include: administration department, revenue department, health department, the security department and estate department. Apart from the five departments, there are other sub-units of the company. These units are market supervisors, Fire Service and Internal Audit.

*i. ADMINISTRATION DEPARTMENT*

The Department handles general staff matters, staff welfare, training and development.

*ii. REVENUE DEPARTMENT*

This Department is charged with the responsibility of collecting tax, NEPA bills, Development fees, Toilets levies, Renovation fees, e.t.c.

Apart from revenue collection from the above-mentioned fees, the department charges fees from the service departments, change of ownership, renovation, electricity and toilets.

The revenue department is the backbone of the company.

*iii. HEALTH DEPARTMENT*

This Department handles all aspects of health-hygiene and crowd control. It is also responsible for inspecting goods brought into the market, disinfection of gutters, drainages, meat shed and periodic checking of the general environment in the market.

iv. **ESTATE DEPARTMENT**

This Department is established to coordinate and conduct activities relating the physical structures and landscape arrangements of the market. The department is also charged with the allocation of spaces and allotment of sheds. Design development and control function are also part of its responsibilities

**THE MARKET SUPERVISORS**

The Market Supervisors serve as the watchdog of the company. They investigate and report all cases of complaints and demands of the traders.

They supervise maintenance of drainages, connection of electricity, general cleanliness, traffic, recreation and control.

**SECURITY DEPARTMENT**

The security out fit is another important unit of the company. The work of the security men is to man the gates of the market both day and night so as to ensure the custody and safety of the property of traders.

**FIRE SERVICE**

There is a Fire Service Station in the market. The station has a Land Rover and fire fighting machines fully functional and always ready in case of an event of fire out break in the market.

**INTERNAL AUDIT**

The Internal Audit Office was established to improve the internal control system of the company.

The department is responsible for monitoring the collection of revenue by the account department. This ensures proper accountability in the company.

### **1.3 STATEMENT OF THE RESEARCH PROBLEM**

This study focuses much attention on the implication of price increase under a perfect competitive market.

Price therefore, seems to be one of the problems associated with the distribution of personal income in relation to goods and services, which are in short supply. In spite the various measures adopted by Government at all levels in the recent times, there still exists an upward increase in price of most essential goods and services. Can the upward price increase of goods be attributed to the fault of traders?

Are the middlemen responsible for the price increase or should the Government be said to have anything to do with the increase in the price of commodities?

This price increase to which no one assumes to be responsible for, seems to be an invisible hand, which the researcher attempts to discover.

### **1.4 OBJECTIVES OF THE STUDY:**

The objectives of this study is to investigate:

- \*Whether retailers in Monday Market connive to drive up prices of commodities.
- \*The study will also be made to ask vital questions with regards to policy formulation for control and management of market activities.
- \*The extent of healthy competition of the Monday Market. Are the middlemen responsible for high price increase or not?
- \*Whether firms have free access to the market.
- \*What is the role of Government towards the behavior of the consumers as regards price increase?

## **1.5 SIGNIFICANCE OF THE STUDY:**

The significance of the study includes:

1. To find out why there is increase in price of commodities in the Monday Market.

What is responsible for the price increase that contributes to the falling standard of living of the ordinary people on the streets of Maiduguri Metropolitan.

2. To help us understand the economic principle underlying an actual market situation.

3. To show a Borno State Government policy planner, whether or not the Monday Market is yielding to a fair competition as well as promoting the market activities of the traders and the general public or consumers to the best of their tastes.

## **1.6 SCOPE AND LIMITATION**

### **SCOPE**

This study covers the period of 1998 to 2000 and focuses on the Implication of Price in Competitive Market like the Maiduguri Monday Market. It is obvious that price has been on a steady increase over the years.

### **LIMITATIONS**

The researcher was not able to obtain comprehensive information from the company. The available records contain very little information especially on the historical and organisation structure. Other information concerning the company was obtained from primary and secondary sources.

Other problems faced during the research include:-

**Time Limitation:** With regards to the time span available for this research work, coupled with studies and other academic factors, I actually faced acute time constraints in adequately conducting my research.

Finance: A good research work today requires that enough funds be made available for a sound data collection and analysis. Pitifully, my position as a student did not grant me adequate assess for this purpose.

## 1.7 DEFINITION OF TERMS

**BREAK EVEN:** - A point of intersection where total revenue equals total cost.

**BUYERS:** - People who buy goods and services offered by the seller.

**CONSUMERS:** - Those who use the goods and services provided by the suppliers

**MARKET:** - A place where buyers and sellers meet with one another to exchange goods and services under mutually agreeable terms.

**PRICE:** - Monetary value attached to a product or service.

**PRODUCTS:** - Tangible goods produced for consumption. Economists' definition of products involves both goods and services.

**SELLER:** - One who sells goods and services to the consumer.

**SUPPLIER:** - One who supplies goods and services on demand.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

In this chapter, the related literature on the Implication of Price in Competitive Market is reviewed.

The literature of various writers on perfectly competitive market is dealt with, showing clearly the characteristics of the market.

The theory of perfect competition is based on a number of assumptions. The main two assumptions are those that deals with the relationship between the sales of a firm and its revenue, and the nature of the industry in which the firm operates.

The second assumption is that the industry is such that any firm has the freedom to enter and set up production or leave the industry if it so wishes.

Lawal, (1982) affirmed that perfect competition relates to the environment in which the production of a particular commodity is carried out while a perfect market is one that contains a large number of buyers and sellers competing among themselves for the available goods and services at a current market price.

Under the perfect competition, there are no much barriers as government intervention, tariffs, subsidies and rationing. However, in a real world situation, there is no market that operates independently without any intervention by the government. Therefore, the notion that there is government intervention in a perfect competitive market is non-existent.

Stal, (1987) postulated that perfect competition exists only when each firm or business is so small, relative to the entire market for a product, that it's action cannot affect the market price. This can be said to be true in the sense that the market is larger than a single firm. The most important objective of most firms under perfect competition is to compete for a larger market share for the purpose of maximizing returns, while the consumers compete for the goods and services.



In the current market situation, it is assumed that what is happening to upward price adjustment is actually not price increase but price discrimination introduced by the suppliers and the sellers which has been found to exist in a number of cases.

Leftwich and Ekeit (1985), contended that competition is ambiguous, in an economic view.

They asserted that, its meaning is rivalry. But in economics, when used along with the word "pure", it carries a different meaning. The authors argued that there is some material condition that makes purely competitive market separate from other market structures.

They understand that for pure competition to exist, sellers and buyers of the products are too small in relationship to the entire industry for a product; and therefore their actions can not produce a significant influence. Thus, the action of one individual buyer or seller will take a negligible influence on the market supply and demand.

To them, the necessary condition for pure competition to exist is that, there should be no artificial restriction on the demand and supply of the commodity; and the price whatsoever may be, the forces of demand and supply should determine the rate.

The authors concluded that the requirement for pure competition is that all economic actors should possess complete knowledge of the economy, making all discrepancies in price quoted by sellers and buyers irrelevant. Buyers opt for the lowest price while sellers will sell to the highest bidder in the market for any particular product or resources for a single price to persist.

Leftwich Ekeit (1985), argued that..... "in perfectly competitive market, firms produce homogenous commodities and consumers are identical from the sellers point of view in that there are no advantages or disadvantages associated with selling to a particular firm."

Henderson and Quant (1987), wrote that "with regard to the firm, it is distinguishable from products of other trade marks, patents, special brand labels and so on. The uniformity has to sell off his products at the price ruling the market".

## 2.1 MEANING OF PRICE

"A price is a value, or sum of money, at which a supplier of a product or service, and a buyer agree to carry out an exchange transaction". Morden (1971).

A price can also be referred to as the amount of money a commodity is exchanged for, at the open market by a willing and able vendor who is willing and able purchase.

The prices under which such exchange transactions take place are,-

**FIXED TO THE BUYER** - The customer either agrees to the price or does not undertake the purchase.

**NEGOTIABLE** - In which the supplier and customer bargain until they arrive at a mutually agreed rate at which the transaction can take place.

## 2.2 NATURE OF MARKET COMPETITION

The more competitive a market is, the more competitive will be the pricing policies pursued by the suppliers in that market. Legislatively, a market can develop into a state that economists call perfect competition. Here, the price is being established at the point at which supply equals demand.

Economists also identify markets which are imperfectly competitive and monopolistic whereby the price is being determined by some forces other than the free interplay of demand and supply. Certainly however, the room for price variation under perfect competition on the part of any one supplier will depend on price expectations in the market. Suppliers will have to imagine the reaction of their competitors in order to serve

as a guide in fixing prices, and they will have to forecast the reactions of consumers to such price changes. Economists described this degree of consumer sensitivity towards price changes as price elasticity of demand.

A price increase, which is not fully matched by the competition, will immediately put any one supplier at a disadvantage while a cut price may result in cut-throat competition all around the market. There is no guarantee that such competitive strategy would result in a significant increase in consumer sympathy for a firm. Again, low prices may be perceived as a reflection of low quality.

### **2.3 PRICE DETERMINATION IN A COMPETITIVE MARKET.**

Price is determined in economics by the interplay of the market forces of demand and supply. The table below shows the schedules of demand and supply on price determination.

PRICE	QUANTITY DEMAND	QUANTITY SUPPLIED
60k	400kg	2000kg
50k	800kg	1600kg
40k	1200kg	1200kg
30k	1600kg	800kg
20k	2000kg	400kg

## 2.4 CONCEPT OF EQUILIBRIUM

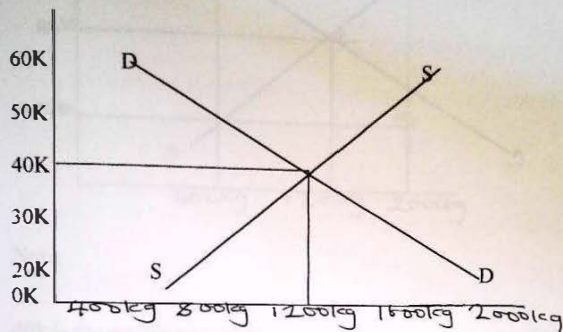
**EQUILIBRIUM:-** (Ude, 1978) defines equilibrium as.....“the price at which the quantity demanded is equal to the quantity supplied, which in professional terms is called Equilibrium Price”.

As we can see from the table above, at the highest price of 60k, the quantity demanded is 400kg, but the supplier supplied 2000kg. This condition of high quantity supplied over the demanded made some sellers to sell below the price, since the only alternative is to return home their excess supply. This forced down the price to 50k at which the demand was 800kg but supply was reduced to 1,600kg. The pressure continued until at the equilibrium price of 40k, the equilibrium quantity demanded and supplied was 1,200kg.

In a similar vein, at the lowest price of 20k, demand was far ahead of supply. That is, 2000kg to 400kg. This increased demand pushed the price to 30k and as such, supply rose to 800kg while demand reduced to 1,600kg. Since demand is still higher than supply, the price is further increased and equilibrium level later restored at 40k and 1,200kg demanded and supplied.

2.5 EFFECT OF CHANGES IN DEMAND AND SUPPLY AT THE EQUILIBRIUM PRICE.

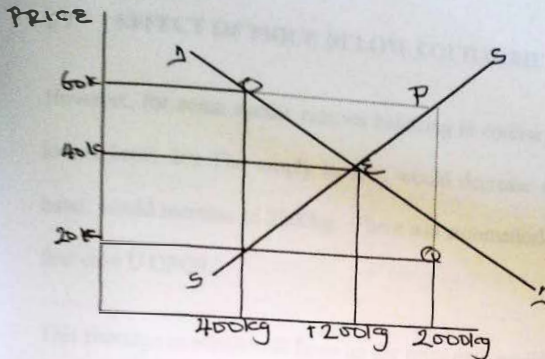
GRAPH OF EQUILIBRIUM LEVEL.



- i. A decrease in supply, while demand is constant would cause an increase in the price above equilibrium level.
- ii. A decrease in demand while supply is constant would result in the decrease in price below equilibrium level.
- iii. An increase in demand while supply is constant would result in the increase in price above equilibrium level.

## GRAPHICAL

## REPRESENTATION ON EFFECT OF PRICE ABOVE AND BELOW EQUILIBRIUM LEVEL



Note:

40k is the equilibrium price

1200k is the equilibrium quantity

SS is the supply curve

DD is the demand curve

### 2.6 EFFECT OF PRICE ABOVE EQUILIBRIUM

If for any reason, the price is raised to its highest level at 60k, the demand, by law, would **automatically** reduce to 400kg and supply will increase to 2000kg, in order to take **advantage** of the new price. Hence, there will exist a surplus of 1,600kg (i.e. 2,000kg-400kg). The surplus exerts a downward pressure on the price until the equilibrium price of 40k is restored.

In the above, the surplus is represented with the rectangle OPQR

## 2.7 EFFECT OF PRICE BELOW EQUILIBRIUM

However, for some similar reasons behaving in contrary to the above, the price falls to its lowest level, 20k. The supply by law, would decrease to 400k but, demand on the other hand, would increase to 2000kg. There will automatically exist a shortage gap equal to the first case U OPQR.

This shortage in supply will force up the price until equilibrium price of 40k is restored.

### CONCLUSION

The explanation given above is based on the assumption of equality of everything. That is, both demand and supply adhere to their laws, and also, both consumers and sellers are rational.

There could be exceptional cases to this rule, but nevertheless, the intention of this essay is not to go into detail analysis especially when we believe in the general acceptable principles and assumptions.

Other relevant areas shall be discussed in the subsequent sections of this work.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 METHOD OF DATA COLLECTION

The method of data collection that the researcher employed includes the primary and secondary methods.

The primary data was collected through direct interview with some selected suppliers and retailers, market survey and observation of the price of some selected items in the market.

Interview was also conducted with the Monday Market Company Secretary.

The secondary data was collected from literature review of textbooks written by individuals on the subject under study.

The method of data collected is sampling, which can be referred to as group of items taken from population for examination. It can also be designed as a subtract of measurement selected from the population.

#### REASON OF SAMPLING

\*Sampling saves money if data are secured from a small fraction of the aggregate; expenditures are smaller than if a complete census were taken.

\*Sampling saves time. Data can be collected and summarized more quickly with samples.

\*It may be more accurate, because higher quality can be employed and given intensive training and because more careful supervision of the field work and processing of result



becomes feasible when the volume of work is reduced. A sample may produce more accurate result than the kind of complete enumeration that can be taken.

### **3.2 SAMPLE POPULATION**

The Sample Population for this project is the number of people in the Maiduguri Monday Market which consists of suppliers and the retailers both male and female selling identical commodities.

### **3.3 SAMPLE SIZE**

The Sample Size for this work was drawn from the sample population. The sample population was divided in five sub-groups.

A random sample of 20 was taken from each of the five groups and interviewed. The number of those who responded to the interview was added up to obtain a sample size of 100 respondents, which the researcher used for his statistical analysis.

### **3.4 SAMPLING TECHNIQUE**

There are different types of sampling techniques used in statistical work. The techniques used will depend upon the nature of the problem and relevant data to be used in order to obtain sample results. Three important techniques are used in statistical analysis such as random, systematic and stratified sampling techniques; for example, in this work the researcher used stratified sampling technique. The reason is that, it reduces the possibility of one sidedness and to enable us know what groups comprise the total population and in what proportion.

### **3.5 METHOD OF DATA ANALYSIS**

In this chapter, the data analysis were categorized according to the age and sex which makes use of interval scale.

It also comprises of analysis of the sample size, number of those interviewed and their responses.

The researcher adopted a sampling size of 100 which consists of male and female, suppliers and retailers in the Maiduguri Monday Market. The sample is further stratified into sampling states of five (5) groups according to how they have been interviewed. On the whole, fifty sellers and fifty retailers were interviewed. This sum up to 100, and the detail analysis is presented in chapter four.

For a simple understanding however, I presented my analysis in a tabular form with adequate explanations. In that same chapter (chapter four), a table of price of market survey of some selected items is also presented.

In conclusion, I wish to state some advantages applicable to the use of direct interview:

1. It deals directly with the person involved, and therefore the genuity would never be in doubt.
2. It does not give room for influences, that is, a third party cannot influence the interview.
3. It enables one to have a quick response from the source, since it deals directly with the respondent.

In addition, the second method, that is, the secondary source has the following benefits:

- 1 The fact that it is already made, makes it reliable.
- 2 It is a good basis of academic standard.

However, while the direct interview may at times be a guess work and of course, may not be reliable, the documentary source is a very tedious work resulting from the fact that one needs to go through library of documents.

### DATA PRESENTATION AND ANALYSIS

#### 1. INTRODUCTION

The aim of this chapter is to present an analysis of the data gathered during the course of this research work so that, there would be scope for a reasonable interpretation and to obtain a good picture to result in reasonable conclusion.

#### The data are as follows:

The data are divided into two - primary and secondary

i. Primary data are those which are collected directly from the respondents through the survey.

ii. Secondary data are those which are collected from the records of the organization and other sources.

Since the primary data are collected directly from the respondents, the reliability of the information is high. However, the secondary data are collected from the records of the organization.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1 INTRODUCTION

The aim of this chapter is to present an analysis of the data gathered during the course of this research work so that, there would be room for a reasonable understanding and to create a good avenue to result in reasonable conclusion.

The analysis is as follows:-

- i. The data collected were from suppliers and retailers
- ii. Suppliers in this regard are the sellers that sold commodities to the retailers in the market
- iii. Retailers are the final unit in the chain of distribution, and sale directly to the final consumers.

Since the price at the retail level represent the price to the final consumers, the retailers information have been equaled with that of consumers.

#### 4.1 SAMPLE INTERVIEW FOR THE SUPPLIERS AND THE RETAILERS

The following set of questions have been raised to both suppliers and retailers:

How would you imagine the trend of commodity's prices in recent times, increase or decrease?

What reasons would you give to support your position in the above?

Effect of middlemen .....

Others effects .....

Can you say whether or not suppliers and retailers collude to fix or raise the price?

.....

Then, do you buy from/sale to specific suppliers or buyers at any give time?

.....

Do you control the number of sellers and buyers in the market?.....

.....

Do government and other authorities plan any role to check price excessiveness so as to protect the interest of consumers?.....

.....

Where the price is not kept at affordable level, does increase in price affect the standard of

.....

4.2 TABULAR REPRESENTATION OF MY ANALYSIS OF MARKET SURVEY  
 INTERVIEW WITH SELLERS AND RETAILERS

S/NO	QUESTIONS/ DETAILS/COMMENTS	RESULT/EXPLANATIONS	REMARKS
1	The first question is poised to know the general trend in prices of commodities in Monday Market.	More than 2/3 of my respondents (about 67 people) are of the view that price is on the increase.	There exist increase in price level.
2.	The second idea is now to know the reason for increase in price level.	1/2 of my respondents (50 people) blame the middlemen for increase in price level while the remaining 1/2 (50 people) attribute increase in price level to other factors, example cost of production	A balance is achieved here middlemen effect 50% Other factors- 50%. Total 100%
3	The third question is to examine whether or not the suppliers collude to fix the price	All the respondents (100 persons) argue that there is not any pre-arrangement between sellers and retailers to fix the price	Here other factors and major, the price mechanism fix the price.
4	The fourth question tries to know if there is preferential treatment on the part of any	Majority (about 92 persons) are of the view that there is no permanent seller or buyer, but depends on what	Market condition determines sellers or buyers.

	whether you just buy from any body or sale to any body.	condition warrants.	
5	Control of the number of buyers and sellers.	Although there does not exist law controlling entry or exit but, factors such as availability of spaces, payment of fees, trade associations prevent free entry and exit.	There is no complete free entry or exit except for unit buyers who can freely buy from the market. NB possibly in the day time.
6	The sixth question investigates on the possible measures to check prices by the authorities so that customer's interest is not jeopardized.	It is seen that price control mechanism features from time to time. The control some times comes from the government influences, trade union activities and others.	The prices are checked from being escalated.
7	The last question tries to see the impact of increase in price level on the consumers	All the respondents say that increase in price level affect their purchasing ability and consequential reduction in standard of living.	Increase in price is equaled with decrease in standard living.

SOURCE: Detail explanations of my research interview with suppliers and retailers in the Maiduguri Market. June /July, 2000.





15.	C	Peak Milk	Tin	35	35	35	35	35	35	35	35	35
16	C	Sugar	Mudu	100	100	100	100	100	120	120	120	120

#### ANLYSIS OF SAMPLE 4.4

i)Group A : Food stuff - from the above table, it is observed that prices of food stuff such as beans, yam, rice, palm oil, and vegetable oil, were on the increase size from the 4 (four) to 9 (nine) weeks of the survey while prices of garri, meat, and maize were constant throughout the nine weeks at the market survey.

ii)Group B: Detergents - From the table, we can also see that prices of detergents were constant through out the nine weeks of the survey.

iii)Group C: Beverages - Beverage such as sugar were on increase size from the size to nine weeks of the survey while others such as soft drinks, peak milk and lipton were constant through out the market survey

#### 4.5 MAJOR FINDINGS

The research work of personal observation, interview, and market survey of Monday Market, Maiduguri; and as shown in the previous sections of this chapter, have the following as major findings.

1 That prices of major items (both food and others) have been on the increase in recent times

2 That increase in price reduces the buying ability and thereby reduces (consumers) standard of living.

- 3 That prices are naturally fixed in the market, that is, no pre-arranged work between the sellers and buyers.
- 4 That there is no permanent buyers or sellers for a particular commodity.
- 5 That increase in price level results from activities of both the middlemen and other factors such as market conditions and cost of production (acquisition).
- 6 That despite the fact that there is no existing law to prevent entry or exit, activities of trade union, market regulations and availability of spaces prevent free entry and/or exit. Hence, the major features of market competition have been achieved.
- 7 Further, as has been observed that the government intervene to control prices in a bid to protect customers interest, there is no free interplay of demand and supply to determine the price.
- 8 The price survey, and table of this chapter indicates that though there is increase in general price level of some commodities example Rice and other commodities such as, Maize, have their prices constant. This indicates a level of equilibrium.
- 9 Lastly, the irregularities on the movement of prices of some items may suggest some level of distortion.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 SUMMARY

The researcher's essay which states that Maiduguri Monday Market is a commodity market where goods and services are sold on retail and also on whole sale but, I am only considering the retail aspect.

The researcher used descriptive and interview method to find out whether Monday Market is yielding to a fair competition or not.

The characteristic of a pure competitive market has been clearly pointed out in the introductory part to see whether the Monday Market responds to their features or not. However, from findings, it is realized that the Monday Market is not only buying and selling goods but also provides services.

The irregularities resulting from other influences on the process of price fixing by the free forces of supply and demand and the gross violation of features of a perfect competition makes the market not fairly competitive.

#### 5.2 CONCLUSION

The presence of unfair competition in the Monday Market and its violation of almost all the characteristics of a pure competition makes it difficult for the researcher to find out under which market structure should the Monday Market be categorized. The Monday Market cannot fit into a perfect competitive market because of the violation of the

However, from research analysis, the pricing of goods in Monday market is non-ethical, but not all that bad. Here, although the suppliers and retailers have not colluded to fix the price, the activities of middlemen and other factors affect the price level. By implication, there is no room for the free interplay of demand and supply to determine the equilibrium level. Government intervention and trade association activities are good testimonies in this regard. The facts available to support such contention are based upon a statistical point of view. The statistical analysis indicates that there is a relationship or association between the suppliers and the retailers in fixing price of goods in the Monday Market.

Given this background and the recommendation here after provided; and many others, pricing objectives under perfect competition have not been totally defeated. Again, its implication as my analysis suggests is also tremendous. I think that Monday Market and others in its category would perform better in the near future in this regard.

### 5.3 RECOMMENDATIONS

The research recommends that the market should not concern itself with buying and selling activities but, also provide services especially security and banking for the safety of the traders' goods and money. This has not been effectively done.

The researcher also recommends that the activities of the Monday Market should be improved upon especially its entry policies so that firms that have interest can enter the market with ease.

The researcher also recommends that the sanitary conditions of the market should also be improved upon as well as that of the shops.

Therefore, the Borno State policy plan should then take into consideration how to educate the retailers to keep their selling environment as clean as possible.

I also advice that enough space should be provided to recommended sellers who

the market on a permanent basis.

Government and other association activities directly and indirectly should be minimized with regard to their interference on the market forces. This would allow room for stability in prices.

Provision of infrastructural facilities and social amenities may serve as a source of convenience on the part of many sellers which in turn would reduce the general price level. This recommendation is relevant since my findings indicate increase in price level as a source of poverty (that is, reduction in the standard of living).

Lastly, the excessiveness of middlemen in showing up the price should be acknowledged and minimized.

The above, and many other suggestions could go a long way in making the Monday Market, Maiduguri and many others in its category to be able to live up to expectation.

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