

Essay on Price Hike :

Long Essay on Price Hike

The increase in the outlay of supplies and services is known as price hikes/ rising prices. Inflation is the cost of the goods and services that are regular in the Indian economy. But this causes difficulties to the consumers. Every individual is affected by the oscillations in the rates. Necessities are sold at immense rates. This is the challenging aspect of the economy. People with partial living are getting affected by the price hike. They face difficulties to lead a life. The economic term for price hike/ rising price is "INFLATION".

"Inflation is taxation, without legislation". Price Hike in India cause monetary hinders in people, as it is the fastest rising economic world, people move on with it.

Causes of Price Hike

INCREASE DEMAND: This happens when the needs of the people increase, demand also increases. As there is a rise in income both demand and supply increase for an individual. Eventually, the price also raises, or a hike in price happens.

COST SHOVE HIKE: When the company increases the production of goods, it balances the expenditure from it by increasing the price of the goods and services. The production cost can rise as the supply increases it needs a gigantic amount of raw material, workers' wages, taxation. So the price of the product is increased to acquire the limitations.

FINANCIAL INFLATION: As the income increases, inflation happens. As money rules oversupply and demand. More the money, More the demand.

Advantages of Price Hike

Price hike enables economic growth.

Moderate inflation allows adjustment in prices.

The price hike is better than defalcation which causes recession.

Stock value enlarge.

Increase unemployment opportunities and income.

Improve the standard of living.

Demand and Supply of goods increase.

Disadvantages of Price Hike

Price hike often leads to inferior expansion and less firmness.

Creates unnecessary and lower investment.

Trying to suppress price hikes, can lead to recession.

International competitiveness - diminish.

Savings go to nil.

If demand is not satisfied - supply and economy fall.

Rising Price Effects

The rising prices affect people physically and mentally.

When there is an increase in the price of vital necessities like stationery, Cylinders, Fruits, vegetables, etc., affects the people in moderate living.

Common man always worries about the price hike in his basic living of life.

Adjustments should be made for the survival of the family. Price Hike has added problems to the lower mode of life. When the price of a commodity increases, automatically the other services also hike the price.

Let us consider an example of a hike in the price of petrol or diesel. The basic means of transportation cause inflation. This encounter his savings. The budget of the living is debilitated.

Internal and External Factors of Price Hike

The price hike is affected by two factors. As a fact, Coin has two sides. Inflation is also twofold.

EXTERNAL FACTORS: worldwide inflation is an external cause of a hike in price.

The goods from other countries are above the margin expected, the imports of these cost more. Eventually, this raises the price in supply. The price hike is straight or ultimately imposed on the consumers.

INTERNAL FACTORS: various factors affect the price hike in the economy.

Increase in income: when the income of in more, the cost of living increases. The demand increases, this causes a price hike.

Inadequate agriculture outputs: As the sector is neglected by the government, they are not given proper importance to the supply, So the demand is not satisfied.

Lacking supply of goods: Some of the industries are not able to reach the demand. So insufficient supply leads to a price hike.

Increase in population: As the growth in population goes up day by day, the demand increases, where the supply can't be reached. So the Price hike happen.

Conclusion: The situations and circumstances that happen in and around the world lead to changes in all aspects of life. The price hike is one such factor that affects people. It is not under anybody, nor controlled by anyone. The government has to act upon the situation and take measures, to control the price hike.

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