



Price System in the Market of Goods and Services

**Umarova Mukaddas
Abbasovna**

Tashkent State University of Economics, Department of
"Statistics" (DSc)mukaddas.umarova@mail.ru

ABSTRACT

It is important to fully understand the content of the price in the market of goods and services and to study a number of factors affecting its level. The variety of production and marketing conditions in various sectors and sectors of the economy and differences in the level of development of market relations create the need to differentiate types of prices. All types of prices operating in the economy constitute a price system. In a market economy, this article discusses in detail several types of prices.

Keywords:

Price, dumping price, official price, national price, discount price, world price, hidden price, free price, standard price, contract (wholesale) price, retail price, variable price, marginal price, equilibrium price.

Enter. Price statistics is one of the departments of socio-economic statistics, which studies the price behavior of subjects in various sectors of the economy. The transition to market relations fundamentally changed the importance of prices in economic processes. Radically new approaches to price formation have appeared and the principles of its regulation have changed. This situation has greatly increased interest in price information and relative indicators that reflect trends in price action.

In Uzbekistan, statistical monitoring of price dynamics is carried out in all sectors of the market. The used methods and principles of price registration in accordance with the standards accepted in international practice ensure the high quality of statistical data.

Checking the level and dynamics of prices and rate levels is carried out in all regions of our republic within the scope of the main objects of monitoring and the selected set of goods and services. Forms of statistical reports on prices have the form of questionnaires or questionnaires. Prices for a specific product are recorded at the base enterprise on the date and

time of the same month as in the previous period. Changes in prices (rate levels) are studied, excluding deviations due to quality, quantity, assortment shifts and other factors unrelated to price.

Methods. It is important to fully understand the content of the price, to know the factors affecting its level. The main ones are: labor costs and production costs, delivery costs to consumers, the level of profitability of goods, the ratio of supply and demand for these goods, the state of competition, the economic policy of the state, etc.

As we noted above, prices are a large-scale economic category, and it is wrong to look at it from one side. The diversity of production and sales conditions in different sectors and sectors of the economy, as well as differences in the level of development of market relations, make it necessary to **differentiate price types**. All types of prices operating in the economy make up **the price system**.

In the market economy, there are the following types of prices:

| | | | |
|----|---------------------|-----|----------------------------|
| 1. | Dumping price. | 8. | Standard price |
| 2. | Prestigious price | 9. | Contract (wholesale) price |
| 3. | National price. | 10. | Retail price |
| 4. | Discounted price | 11. | Variable price |
| 5. | International price | 12. | Limit price |
| 6. | Hide price | 13. | Equilibrium price |
| 7 | Free price | | |

The main characteristics of market prices are their ability to constantly change. Prices never change without reason. High prices are set for high-quality, new consumer goods. The price level depends on the competitiveness of the product and its position in the market.

Pricing goals include: increasing market share, getting the most profit in a short period of time, and maintaining a high profit rate for a long time.

Determination of the default price is influenced by accurate calculation of the price level over time. This calculation depends on the market segment, the life cycle of the product, and the potential amount of supply and demand. Brand policy in marketing is carried out taking into account all stages of social goods production, new production, distribution, exchange and specific characteristics of the consumer.

We will briefly look at the economic content of some of their types in the price system.

Wholesale prices are defined in the "Economic Theory" as follows: "**Wholesale prices are used by manufacturers when a large batch of goods is sold at once.**"¹

In fact, wholesale prices differ not by the fact that goods in a large batch are sold at once, but by the fact that they participate (not participate) in the trade, regardless of the size,

and for what purpose it is purchased. For example, when 100 kg of apples are bought, if they are taken for consumption, then the price of the product is the retail price. Even if he buys 1 kg of apples for the purpose of selling (making a profit), this is considered a wholesale price.

So, **retail prices** are the prices used for selling goods directly to consumers. The retail price includes the wholesale price of goods, costs of retail organizations and their profit.

Contract prices. These are the prices determined by the agreement of the seller and the buyer, recorded in the contract concluded by them. Contract prices usually do not change during the contract period. These prices are used both in the national and international markets. When it is used in the international market, it is close to the world prices of goods (services).

Dumping price. In order to strengthen their position in the market and squeeze out their competitors, firms use a special price, which is called a dumping price or market penetration price. The dumping price is a fraction of the official price.

Firms use **prestige pricing** to achieve higher profits without changing sales. In order to apply this price, competition in the market is limited and a monopoly situation must exist. In this situation, the demand does not depend on the price, therefore, the increase in the price does not sharply reduce the sale of the product. **In addition, there are prestigious goods that are purchased by the high-income segment of the population, which are sold at prestigious prices.**

In developed countries, for the upper income class of the population, owning a country yard, vacationing at famous resorts, wearing the latest clothes, driving a new model of car is a prestige or prestigious consumption. Quality consumption creates prestigious prices. They will be much higher than the usual prices. In the application of authoritative prices, the costs of production of goods and the level of profitability, market demand, its changes and competitive conditions in the market are taken into account. Accordingly, **fixed (standard) prices**, which do not change for a certain

¹ Ш. Шодмонов, Т. Жўраев. "Иқтисодиёт назарияси" маърузалар матни

period, and **variable prices** are used. There are goods for which consumers prefer their prices to remain unchanged. For example, the definitions of utility service and transport service are included in such prices.

Free market prices are market prices based on supply and demand. Free prices allow to harmonize the interests of all subjects of society and market relations in the most optimal way in creating cultured market conditions.

Taking into account the size of the market, prices are divided into the following types:

- territorial (regional)
- national
- international prices

The regional price is specific only to a certain regional market, and it is formed by the influence of factors within this region.

National market prices are prices valid within a country and reflect their characteristics. The national price takes into account social spending within the country, supply and demand in the national market, the commodity's usefulness, and how much it is valued.

The world market price takes into account the international costs incurred for a particular product, the degree of compliance of the product with the world standard demand and the ratio of supply and demand in the international market.

Debate. The price chart is like a barometer showing the market situation. If the price falls, the commodity market will become inefficient, the commodity will be undesired, and it will be necessary to replace it with another commodity or radically improve its quality. The economic content of the price is shown by its functions.

The function of price is the external manifestation of its internal content. The main function of the price in the market economy is to deliver an objective informational signal to the market. In the economic literature, five price functions are distinguished:

- account function;
- incentive function;
- distribution function;

- demand and supply balancing function;
- production rationalization function;

Based on the above, it is important to focus on the definitions and opinions of each of them in the economic literature.

Account function. The price is an economic category that characterizes how much labor, raw materials, materials and other materials were used for the production of goods, and to what extent productive labor was used effectively. Therefore, the price is an economic category that indicates not only production costs, but also the amount of profit.

In the context of market relations, this function cannot be considered to be focused only on the calculation of costs or prices. Because the market price may differ significantly from the actual costs under the influence of some market factors. The actual limit of the incurred expenses and their social significance is manifested only in the market, that is, it arises at the point of intersection of the interests of the producer and the buyer of goods. In this case, the final price may differ from the price intended by the manufacturer.

In a monopolized economy, the monopolist company sets the price itself, because competition in such an economy is weak.

In its function, price serves as a means of calculating all values. Value indicators can be divided into quantitative and qualitative indicators.

Quantitative indicators - gross domestic product; national income; capital investments; turnover volume; if it is reflected in the volume of products of firms, enterprises, industries and the like, it is reflected in quality indicators - profitability, efficiency, fund return, etc.

Thus, in this function, the price acts as an economic tool that organizes the calculation of the value of various economic processes. For example: the volume of goods produced or sold by a firm is equal to the price of its goods or services.

In this function, the price is manifested as the main indicator of production efficiency, serves as a target for making decisions on economic management.

Promotion function. The essence of price in this function is manifested in the production of various goods and the development or passivation of their consumption. Therefore, the price motivates the producer by the amount of his profit. In economic life, the price also causes the production of a commodity to be reduced or increased.

Price can motivate or disincentivize consumers:

- Development of scientific technology;
- Resource cost savings;
- Change in product quality.

The result. Promotion is done through additions to the base price, deductions and higher profit levels.

The progress of science and technology requires the promotion of development through price. Because the inclusion of advanced technologies in the production process makes it possible to increase product quality and labor productivity and save material resources.

Stimulation of production and the optimal composition of consumption is carried out through price measures. In this case, stimulation of the optimal composition of personal consumption of the population is achieved directly through the differentiation (classification) of indirect taxes.

Price may vary from value due to many market factors. The distribution and redistribution of national income through price is carried out within the framework of various structures, namely:

- in economic sectors;
- in structures with different forms of ownership;
- regions, i.e. within the country;
- in savings and consumer funds;
- between different social groups of the population.

For example: due to the high retail prices set for goods (gold jewelry, cars), social protection funds for low-income residents are established at the expense of high-income residents.

The price distribution function also takes into account excise duty, value added tax, etc.

The price redistributes the value created between the producer and the consumer. This situation is especially evident in prices controlled by the state. When a product is priced higher than its value, the distribution is decided in favor of the seller, and the consumer - it costs a lot to buy this product, and the seller, in turn, gets a lot of profit.

A large number of sales transactions may depend on the difference in the price of goods from their value. But in the total volume of sales, this situation is more balanced, that is, someone wins, someone loses, and as a result, a mutually beneficial balance appears.

As a tool of redistribution, the most often used is the ordered prices. Financial and credit systems also play a special role in this. For example: the widespread use of finance can be effective in improving the living standards of the low-income population, if the monetary income of this class is affected through categories such as benefits, wages, or if the improvement of their living standards is ensured by changing the tax rates. In this case, price action is ineffective, because the price decrease affects all classes of the population at the same time, and the higher income class of the population wins.

Supply and demand balancing function. Through the price, a reasonable relationship can be created between production and consumption, between demand and supply.

If the balance between demand and supply is lost, it will be possible to restore the balance between supply and demand by expanding (reducing) the production of goods or increasing (reducing) the price of goods.

The price makes manufacturers interested in improving the quality of their goods and expanding their assortment.

The balance between demand and supply can only be ensured by the planned management of production with the supply of material and equipment under conditions of perfect administrative management. Such provision can be costly to society.

In the conditions of the market economy, the price regulates production through its function, that is, the production of goods that

are not in demand is reduced, and the saved material and monetary resources are mobilized to expand the production of goods that are in high demand.

Thus, a reasonably balanced relationship between supply and demand is created due to the rise and fall of the price.

The function of rational location of production becomes very important during the transition to the market economy. This function is reflected in the transfer of capital from one branch of the economy to another in order to obtain higher profits through price mechanisms, that is, in the increase of capital investments in the branch in which the rate of profit is higher. In this case, the enterprise only independently decides in which activity it is necessary to invest its capital. This is achieved through in-depth marketing research. In addition, all market factors and price must be studied.

Due to the weakness of competition in the conditions of Uzbekistan, the possibilities of this function are limited to a certain extent.

Currently, capital investments are being mobilized in trade and brokerage activities, because the profit rate in this activity is higher than in other sectors.

There are the following pricing principles:

1. The scientific basis of the price.
 2. Target orientation of the price (solving economic problems, i.e. producing advanced products, improving quality).
 3. Unity of the pricing process, control over the price.
 4. Methodological issues of pricing.
- Pricing methodology (methodology) is a set of general rules and principles for the production of pricing concepts, and it is understood that price determination and justification, formation of a price system, and pricing management are carried out.

The methodology for all stages of price setting is uniform, that is, the main directions and rules of price formation do not change depending on who sets them and for what period.

This makes it possible to establish a clear price system for entities operating in the country's economy.

But it should also be mentioned that style and methodology should not be understood as the same thing, they are different from each other: a pricing strategy is developed with the help of methodology, that is, based on it. And the style reflects concrete instructions and tools for putting this strategy into practice. So, to put it simply, style is an important element of methodology.

The second important element of success is pricing principles. It is carried out based on the development and implementation of methods and techniques related to pricing principles. Based on this, principles and methods are connected with each other and create methodology.

During the transition to the market economy, the pricing methodology should remain unified, because on the basis of these unified principles, it will be possible to gradually form a transparent price system compatible with market relations.

What are the principles of pricing?

The principles of pricing are the main guidelines that are constantly operating and are the basis for the formation of a general price system.

The principle of scientific basis of the price - it is envisaged to study and take into account the laws of objective economic development in pricing, that is, the law of value, the laws of supply and demand. It requires the completeness of the information supply.

Also, the scientific basis of the price is based on a deep analysis of the market situation and all market factors and price systems operating in the economy are analyzed.

The principle of price orientation is to identify economic and social problems that should be solved by price. An example of this is the purposeful orientation of prices to the production of new goods or the increase of their quality in social protection of the population.

Summary. In conclusion, it can be said that the direction of prices to the target can change depending on different stages of the economy.

The principle of continuity of the pricing process is directly related to the principles mentioned above.

First, a product goes through several stages as it moves from raw material to finished product, each of which has an appearance or characteristic that carries a different price.

Secondly, the prices in the movement are constantly changing, that is, old goods are taken out of production and replaced by new ones, and in such a process, the prices of goods are constantly changing.

The uniformity of the pricing process and the control of price compliance means that the state controls the prices of products of monopolistic organizations. These products include oil, gas, electricity, and cotton.

If the enterprises do not formulate their prices correctly, if they do not ensure compliance with the current laws, then they may be subject to administrative penalties.

Adherence to these principles makes it possible to rationally organize and conduct a price policy. Also, the prices (rate levels) for raw materials goods and services will strengthen the social direction. Therefore, the organization of reasonable prices should be reflected in the strong social protection of the population.

Recources:

1. Soatov N.M. Bozor jarayonlari indeks tahlili. T.:TDIU,2007.235 bet.
2. Soatov.N.M. Statistika Darslik. – T.: Abu Ali Ibn Sino, 2003. – 743 bet.
3. Soatov.N.M., Ayubjonov A.H. Muxitdinova. N.N. Statistika umumiy nazariyasi. Darslik. – T.:TDIU 2011. – 355 bet.
4. Nabiev.X., Ayubjonov A.H. Sayfullaev S.N. Iqtisodiy statistika. Darslik. – T.:TDIU, 2011.-324 bet.
5. Soatov. N.M., Tillaxo'jaeva. G.N. Bozor jarayonlarini indeks tahlili. Darslik.-T.: 2011. -548 bet.
6. Leaver S.G., Swanson D.L. Estimating Variances for the US Consumer Price Index for 1987-1991. Proceeding of the Survey Research Methods Section American Statistical Association, forthcoming
7. Liegey J.P. Adjusting Apparel Indexes in the CPI for Quality Differences. Price Measurements and their Uses Murray F.F., Marilyn Manser and Allan Yung, eds. NBEL-University of Chicago Press 1992
8. Armknecht Paul A. and Ginsburg D H. Improvements in Measuring Price Changes in Consumer Services: Past, Present, and Futur, Output Measurement in the Services Sector, Zvi Gnliches, ed University of Chicago Press, 1992. P. 109-156.
9. Pollak Robert A. The Theory of the Cost-of-Living Index. Oxford University Press, 1989.
10. Kokoski Mary F Consumer Price Indexes by Demographic Group, BLS Working Paper 167, April 1987.
11. Marcoot John L Revision of the Consumer Price Index Now Underway, Monthly Labour Review, Apnl 1985. P. 27-38.
12. Armknecht Paul A. Quality Adjustment in the CPI and Methods to Improve It. Proceeding of the Business and Economic Statistics Section American Statistical Association, 1984. P 57-63.
13. Afnat S. The Price Index Cambridge University Press, 1977.
14. Allen R.G.D. Index Numbers in Theory and Practice. Macmillan, 1975
15. James Mc. Clave, Terry Sincich "Statistics" 2013.-900 p.