

Paragraph on Price Spiral

Question: "Today price spiral is a common phenomenon in our country". Complete the following line in two paragraphs. In the first paragraph you will write the causes and problems it creates and in the second you will suggest a possible solution to it.

Answer: Today price spiral is a common phenomenon in our economy. The price of essential commodities is increasing by leaps and bounds. The causes of the price spiral should be attributed to several factors. Hoarding is one of the important factors for the soaring price levels. Both the producers and the consumers are dishonest now. They hoard the essential commodities with an ill motive and as a result, there is a breakdown in the supply. Thus the situation of the price level is aggravated. Smuggling and black-marketing are also essential factors that cause price spirals. Essential commodities are always being smuggled across the border. Many dishonest tradesmen have earned huge black money through black-marketing, Shortage of supply due to low production also accelerates the price-hike of essential goods. Our population is increasing in geometrical progress while the supply of food increases in arithmetical progress.

However, efforts should be made and necessary actions and proper measures should be taken to tackle the situation. An adequate supply of essential commodities is to be ensured. And last of all government should launch a program to tackle the price spiral problem. The government should set fair price shops. But the mere establishment of fair price shops will be of no avail unless the problem is tackled in a comprehensive way. It is imperative that the Government should engage its machinery to enforce proper and effective measures ruthlessly so as to eradicate the causes of the malady of the price spiral. Again smuggling and black marketing should be controlled. Smugglers should be penalized by giving exemplary fines and

punishment. Smugglers should be dealt with sternly so that they might not create artificial wants by hoarding. ' Hoarding should be discouraged. The businessman should be taught the lesson of morality. They should also learn that Islam has strictly prohibited hoarding and illegal profit. Last of all government should enforce laws and order to solve this problem.