

PRICE CONTROL AND ITS MEASURES GHULAM QASIM SHAH

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1. ABSTRACT

An imperceptible tendency regarding the increase in price level always exists in some degree in developing countries. Reason being this that these countries now attempt to employ new techniques of production and explore new avenues for investment. Furthermore, Cardinal factor to which such increase in price can be ascribed, is the classical demand and supply factors and their elasticity. Vast majority of the consumers when realize that the increase in price is beyond their purchasing Capacity. This situation then poses a serious problem.

The demand and supply factors are reinforced or weakened by other subsidiary factors such as monetary, fiscal policies and quantum pattern of savings and investment both in public and private sectors. It is likely that any lower limit for price increase may effect investment activities in the productive sectors of the developing countries.

Therefore problem of price can be satisfactorily betackled through fiscal, monetary and administrative means for long as well as for short term Measures can be adopted to rectify the situation in the country.

2. INTRODUCTION

Unnessary monetary expansion which may tend to increase beyond the growth of national dividen must not be allowed. Underdeveloped country which is already fraligth with inflationary tendencies when receive bigger scale of Govt. expenditure on development & non development side, this leads the country concerned to a further difficult situation. That is to say the concomitent result is obvious. Larger incomes thus created find no avenus for productive investment or for spending, in case of development expenditure, unless this trend is offset by corresponding withdrawals from spending through an increase in savings, otherwise, it is apprehended that inflationary pressure might receive a momentum.

The price situation can further be aggravated if the Govt ; takes recourse to deficit financing in the country. For the smooth & balanced Eco ; development of country it is imperative that the sources of money income must be tapped for the productive uses.