



Unit - 12 : CONSUMER PROTECTION

Summary of the Chapter

Meaning: Consumer protection means protecting the interest of consumers.

Importance of consumer protection.

From consumer s point of view

1. Consumer Ignorance: Most of the consumers are not aware of their rights and relief available to them. It is therefore necessary to educate them and create awareness among them.
2. Unorganized Consumers: There is need to organize consumers in the form of consumer association who would take care of their interest.
3. Wide spread exploitation of consumers: Unscrupulous and unfair trade practices, such as defective and unsafe products, hoarding and black marketing etc. are wide spread. Consumers require protection against such malpractices.

From Business Point of view:

1. Long term Interest: It is in the long term interest of the business to satisfy customers. When customers are satisfied business gets repeat sales and its customer base increase.
2. Use of society's resources: Business firms use resources of the society. Therefore they are under an obligation to supply products and services which are in public interest.
3. Social Responsibility: A businessman has responsibility towards various groups. Customer is one of the important groups because firms earn money by selling goods and services to them.
4. Government Intervention: If businessman wants to avoid intervention of government then they should not involve in unfair trade practices. Firms should voluntarily serve the needs and interests of customers.
5. Moral Justification: It is a moral duty of every business firm to take care of customer's interest. It must avoid all types of unscrupulous and unfair trade practices.

Consumer's Rights:

1. **Right to safety:** It is a consumer's right to be protected against goods and services which are hazardous to health and life.
2. **Right to Information:** A consumer has a right to have complete information about the quality, quantity, price of goods, ingredients etc
3. **Right to Choice:** Every consumer has the right to choose the goods from a variety of products at competitive prices. **Right to be heard:** The consumer has the right to file a complaint and to be heard in case of dissatisfaction with a product or services.
4. **Right to Seek Redressal:** The consumer has a right to get relief in case the product or services falls short of his expectations.



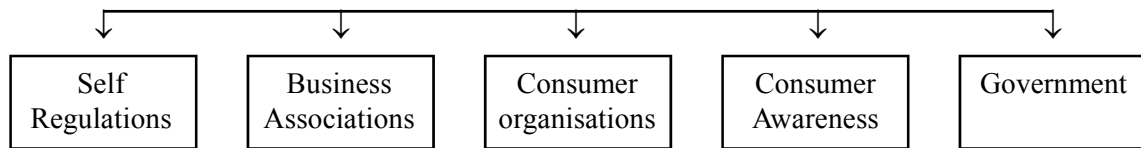
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5. **Right to consumer Education:** The consumer has a right to acquire knowledge and to be a well-informed consumer throughout life.

Redressal Agencies

Basis	District Forum	State Commission	National Commission
Composition	A President and two other members	A President and two other members	A President and four other members including one women
Compensation claim	Up to Rs.20 Lakhs	Above 20 lakhs but less than 1 Crore	One Crore or above
Appeal against order	Go to state commission within 30 days.	Go to national commission within 30 days.	Go to Supreme Court within 30 days.

Ways and Means of Consumer protection:



Consumer's Responsibilities:

1. **Be aware about various goods and services** available in the market so that an intelligent and wide choice can be made.
2. **Read labels** carefully so as to have information about prices, net weight, manufacturing and expiry dates etc.
3. Ask for **cash memo** on purchase of goods and services. This would serve as a proof purchase made.
4. Be **honest in your dealing**. Choose only from legal sources and discourage unfair practices like black marketing, hoarding etc.
5. **File a complaint** in appropriate consumer forum in case of a short coming in the quality of goods purchased or services availed.
6. **Respect the environment**. Avoid waste, littering and contributing to pollution.

Role and functions of consumer organizations and NGOs

1. Educating to Consumers
2. Collecting data on different products and Testing them
3. Filing suit on behalf of consumers



4. Helping Educational institutions
5. Promoting network of consumer association.
6. Extending support to Government

NGOs: Non-Government Organizations are those organizations which aim at promoting the welfare of the people with non-profit concept. They are taking up various aspects of consumer exploitation.

Very Short Answer Type Questions (1 mark)

- Q.1** Government is actively advertising for 'Jago Grahaks Jago'. Which consumer right is highlighted in the given statement?
- Ans.** Right to consumer education.
- Q.2** The approach of Caveat Emptor has been changed to Caveat Venditor. What do the two approaches mean? Why such a radical change has taken place?
- Ans.** The approach of Caveat Emptor means let the buyer beware and approach of caveat venditor means let the seller be ware. The change has taken place because a consumer is said to be a king in the current competitive market and all the marketing efforts of a firm revolve around him.
- Q.3** If the market has enough qualities and varieties of product at competitive prices, then buyer have an opportunity of wise selection. Identify the consumer right discussed.
- Ans.** Right to choose.
- Q.4** Identify the products to which the following quality certification marks are associated. Also mention the name of quality mark.
- Ans.** (i) food products (FPO marks);
 (ii) Electrical appliances (ISI mark);
 (iii) Jewellery (Hallmark);
 (iv) Environmental friendly products (Eco mark);
 (v) Agriculture products (Agmark).
- Q.5** Mili went to a shopkeeper to buy vegetable oil. The shopkeeper forced her to buy a particular brand out of various available brands. Which right of Mile has been exploited?
- Ans.** Right to choose.
- Q.6** Ramesh purchased medicines without noticing a date of expiry. He did not obtain cash memo. Do you think, Ramesh will be able to protect himself by loss caused due to expired medicine?



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Ans. No, Ramesh will not be able to protect himself as he didn't obtain the proof of purchase, i.e. cash memo.

Q.7 Mention the quality mark which a consumer should look for while purchasing the following products:

- (i) Electrical goods; (ii) Jewellery; (iii) Agriculture products;
(iv) Food products; (v) Environmental friendly products.

Ans. (i) ISI marks; (ii) Hallmarks; (iii) Agmark;
(iv) FPO mark; (v) Eco mark.

Q.8 Why consumer protection is important for consumers? Give any one reason.

Ans. It is important because of 'consumer ignorance'.

Q.9 Which act provides for the setting up of three tier machinery?

Ans. Consumer Protection Act, 1986.

Q.10 Which consumer right entitles the consumer to get relief in case the product or service falls short of his expectation?

Ans. Right to seek redressal.

Q.11 Name the right, Which suggests that a consumer has a right to register his dissatisfaction?

Ans. Right to be heard.

Q.13 Which can serve as the proof of purchase made, for filing a complaint against defective product?

Ans. Cash memo.

Q.14 Rita wants to buy a packet of juice. As an aware customer how can she be sure about the quality of juice she plans to buy?

Ans. Rita should look for FPO Mark on the packet of juice.

Q.15 Pragya brought an iron of a reputed brand for Rs. 1,500 but it caused an electric shock while it was being used. Pragya wants to exercise her 'Right'.

Identify the 'Right' under which he can be protected.

Ans. Right to Safety.

Short Answer Question (3/4 Marks)

Q 1 Harishankar purchase a book for Rs. 250. Later on, he found that MRP of book was Rs. 200 only and the shopkeeper had put a sticker of Rs. 250 on the original MRP. Answer the following question:

- (i) Which right of Harishankar is violated in the given case?
(ii) Can he recover the extra money?
(iii) Whether any option is available against the book seller?



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- Ans. (i) Right to be informed is violated;
 (ii) Yes, Harishankar can recover extra money of Rs. 50;
 (iii) Harishankar also has more option:
 (a) He can ask for refund of money after returning the book;
 (b) He can also sue bookseller for unfair practices.

Q 2 What is the role of consumer organizations and non-government organizations? Describe.

Ans. Role of consumer organizations and non-government organizations-

7. Educating to Consumers
8. Collecting data on different products and Testing them
9. Filing suit on behalf of consumers
10. Helping Educational institutions
11. Promoting network of consumer association.
12. Extending support to Government

Long Answer Type Questions (5 or 6 marks)

Q 1 What is the concept of consumer protection? Give importance of consumer protection.

Ans. **Meaning:** Consumer protection refers to protecting the consumer against anti-consumer trade practices by the producers or sellers.

Importance of consumer protection.

From consumer's point of view

1. Consumer Ignorance: Most of the consumers are not aware of their rights and relief available to them. It is therefore necessary to educate them and create awareness among them.
2. Unorganized Consumers: There is need to organize consumers in the form of consumer association who would take care of their interest.
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2. Use of society's resources: Business firms use resources of the society. Therefore they are under an obligation to supply products and services which are in public interest.



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- 3- **Social Responsibility:** A businessman has responsibility towards various groups. Customer is one of the important groups because firms earn money by selling goods and services to them.

Q 2 What are Rights of consumers? Explain.

Ans. Right to safety: It is a consumer's right to be protected against goods and services which are hazardous to health and life. Ex- Electrical Appliances which are not ISI marked might cause serious injury.

1. **Right to Information:** A consumer has a right to have complete information about the quality, quantity, price of goods, ingredients etc. which he intends to purchase. Thus manufacturer must mention complete information about the product.
2. **Right to Choice:** Every consumer has the right to choose the goods from a variety of products at competitive prices. The marketers must allow consumers to make a choice from a wide variety of product.
3. **Right to be heard:** The consumer has the right to file a complaint and to be heard in case of dissatisfaction with a product or services.
4. **Right to Seek Redressal:** The consumer has a right to get relief in case the product or services falls short of his expectations.
5. **Right to consumer Education:** The consumer has a right to acquire knowledge and to be a well-informed consumer throughout life.

Q3 What remedies are available to consumers in consumer's protection Act-1986?

Ans. Under this Act, remedies available to consumers are as follows:

1. To remove the defect in goods or deficiency in service.
2. To replace defective product with a new non defective product.
3. To refund the price paid for the product or the charge paid for the service.
4. To pay reasonable compensation for loss or injury suffered by the consumer due to negligence of the opposite party.
5. To discontinue unfair or restrictive trade practice and not to repeat in the future.
6. Not to offer hazardous goods for sale.

Q4. What is the responsibilities of consumers?

Ans. Consumer responsibilities-

1. Consumer must exercise his rights: They must be aware of their rights while buying.
2. Consumers should buy only standard goods like ISI/AGMARK goods only.
3. Filing complaint for the redressal of genuine grievances.
4. Consumer must be quality conscious / should not compromise on quality.
5. Consumers should learn the risks associated with products and services.



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6. Do not forget to get receipt and Guarantee / Warranty Card.
7. Consumers should read labels carefully.
8. Consumers should be honest in their dealings. They should buy only legal goods.
9. Consumers should respect environment. Avoid waste, littering and contributing to pollution.
10. Consumers should form consumer societies.

Q 5. What are the ways and means of consumer's protection?

Ans. **Ways and Means of Consumer protection**

- a) **Self regulation by business:** Every firm insists to have a strong consumer base which means that more and still move people should buy their products. This is possible only when the consumers are fully satisfied with the products of the firm.
- b) **Business Associations:** Business associations prepare a code of conduct for businessmen.
- c) **Consumer Awareness :** Consumer should protect himself
- d) **Consumer organizations:** these organizations can force business firms to avoid malpractices and exploitation of consumers.
- e) **Government:** Interests of the consumers are protected by the government by enacting various legislations. Consumer protection Act 1986 is an important legislation by the government to provide protection to the affected consumer.

Q6. Explain the redressal machinery under the consumer protection Act,1986.

Ans. The redressal machinery under the consumer protection Act,1986-

- a) **District forum:** According to consumer protection Act state government can set up one or more district forum in each district.
 - 1) District forum hears disputes involving a sum up to Rs. 20 Lacs.
 - 2) It can file appeal against it with the state commission within 30 days.
- b) **State commission:**
 - 1) State commission redresses grievances involving a sum exceeds Rs. 20 lacs and up to Rs. 1 crore.
 - 2) It can file an appeal before the national commission within 30 days.
- c) **National commission :**
 - 1) It is appointed by the Central Government
 - 2) It has the jurisdiction to hear complaints involving a sum exceeding Rs. 1 crore.
 - 3) It can file an appeal with the Supreme Court within 30 days