

## Unit 11

### Part A

1. State any one unfair trade practice of manufacturers and service providers by which consumers are exploited

Adulteration

2. State any one regulation which provides legal protection to the consumers.

The Consumer Protection Act, 1986

3. In which year the Consumer Protection Act was enacted?

1986

4. Who is a Consumer?

A consumer is said to be a king in a free market economy. The earlier approach of caveat emptor, which means "Let the buyer beware", has now been changed to caveat venditor ("Let the seller beware").

5. Name any one redressal machinery/agency set up under Consumer Protection Act to redress consumer grievances.

District Forum

6. What is the monetary limit of claim in District Consumer Disputes Redressal Forum?

Less than 20 lakh

7. State the monetary limit of claim in State Consumer Disputes Redressal Commission.

20 lakhs to Rs. 1 crore

8. What is the monetary limit of claim in National Consumer Disputes Redressal Commission?

More than Rs. 1 crore

9. Name any one Consumer Organisation/NGO engaged in protecting and promoting consumers' interests.

Consumer Coordination Council, Delhi

**Part B**

10. What is Consumer Protection?

Consumer Protection has a wide agenda. It not only includes educating consumers about their rights and responsibilities, but also helps in getting their grievances redressed. It not only requires a judicial machinery for protecting the interests of consumers but also requires the consumers to get together and form themselves into consumer associations for protection and promotion of their interests.

11. State any two reasons to emphasise the importance of consumer protection from Consumers' point of view.

- (i) **Consumer Ignorance:** In the light of widespread ignorance of consumers about their rights and reliefs available to them, it becomes necessary to educate them about the same to achieve consumer awareness.
- (ii) **Unorganised Consumers:** Consumers need to be organised in the form of consumer organisations which would take care of their interests.

12. State any two reasons to emphasise the importance of consumer protection from the point of view of Business.

- a) **Business uses Society's Resources:** Business organisations use resources which belong to the society. They, thus, have a responsibility to supply such products and render such services which are in public interest and would not impair public confidence in them.
- b) **Social Responsibility:** A business has social responsibilities towards various interest groups. Business organisations make money by selling goods and providing services to consumers.

13. Write any two Consumer Rights.

- a) Right to Safety
- b) Right to be Informed

14. Who can file a complaint before the appropriate consumer forum? (any two)

- a) Any registered consumers' association;
- b) The Central Government or any State Government;

**Part C**

15. Explain any four Rights of consumers.

- a. **Right to Safety:** The consumer has a right to be protected against goods and services which are hazardous to life and health. For instance, electrical appliances which are manufactured with substandard products or do not conform to the safety norms might cause serious injury.
- b. **Right to be Informed:** The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc
- c. **Right to Choose:** The consumer has the freedom to choose from a variety of products at competitive prices. This implies that the marketers should offer a wide variety of products in terms of quality,

brand, prices, size, etc. and allow the consumer to make a choice from amongst these

- d. Right to be Heard: The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason that many enlightened business firms have set up their own consumer service and grievance cells.

16. State any four responsibilities of consumers while purchasing, using and consuming goods and services.

- (i) Be aware about various goods and services available in the market so that an intelligent and wise choice can be made.
- (ii) Buy only standardised goods as they provide quality assurance. Thus, look for ISI mark on electrical goods, FPO mark on food products, Hallmark on jewelry etc.
- (iii) Learn about the risks associated with products and services, follow manufacturer's instructions and use the products safely.
- (iv) Read labels carefully so as to have information about prices, net weight, manufacturing and expiry dates, etc.

17. Explain any four ways in which the objective of consumer protection can be achieved.

1. Self-Regulation by Business: Enlightened business firms realise that it is in their long-term interest to serve the customers well. Socially responsible firms follow ethical standards and practices in dealing with their customers.
2. Business Associations: The associations of trade, commerce and business-like Federation of Indian Chambers of Commerce of India (FICCI) and Confederation of Indian Industries (CII) have laid down their code of conduct which lay down for their members the guidelines in their dealings with the customers.
3. Consumer Awareness: A consumer, who is well-informed about his rights and the reliefs available to him, would be in a position to raise his voice against any unfair trade practices or unscrupulous exploitation.
4. Consumer Organisations: Consumer organisations play an important role in educating consumers about their rights and providing protection to them. These organisations can force business firms to avoid malpractices and exploitation of consumers.

18. State any four directions which can be issued by the consumer court to the opposite party.

- (i) To remove the defect in goods or deficiency in service.
- (ii) To replace the defective product with a new one, free from any defect.
- (iii) To refund the price paid for the product, or the charges paid for the service.
- (iv) To pay a reasonable amount of compensation for any loss or injury suffered by the consumer due to the negligence of the opposite party.

19. State any four functions of Consumer Organizations and NGOs for the protection and promotion of consumer interests.

- (i) Educating the general public about consumer rights by organising training programmes, seminars and workshops.
- (ii) Publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other matters of interest.
- (iii) Carrying out comparative testing of consumer products in accredited laboratories to test relative qualities of competing brands and publishing the test results for the benefit of consumers.
- (iv) Encouraging consumers to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers.