

# NCERT SOLUTIONS

CLASS - 12th



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Class : 12th

Subject : Business Studies

Chapter : 12

Chapter Name : Consumer Protection

Q1 Under which consumer right does a business firm set up consumer grievance cell?

Answer. Right to seek redressal is that consumer right which helps a business firm set up a consumer grievance cell.

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Q2 Which quality certification mark is used for agricultural products?

Answer. AGMARK is that quality certification mark which is used for agricultural products

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Q3 What is the jurisdiction of cases that can be filed in a State Commission?

Answer. The jurisdiction of cases which can be filed in a State Commission is when the the value of goods and services exceeds Rs 20 lakh and is up to Rs. 1 crore.

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Q4 State any two relief available to consumers under CPA.

Answer. a) Removal of defects from the goods.

b) Replacement of the goods.

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Q5 Name the component of product mix that helps the consumer to exercise the right to information.

Answer. Product mix is the component of product mix that helps the consumer to exercise the right to information.

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Q1 Enumerate the various Acts passed by the Government of India which help in protection of consumers' interests.

Answer. The Acts passed by the government of India in order to safeguard the rights of the consumers from the sellers are as follows -

→ The Consumer Protection Act, 1986 -

The Act provides safeguards to consumers against defective goods, deficient services, unfair trade practices etc.

→ The Indian Contract Act, 1972 -

This Act is made to regulate all the contracts made between two parties which are binding on them.

→ The Sale of Goods Act, 1930 -

This Act governs all the buyers and sellers and provides rules and regulations for the purchase of different types of goods and availing various services.

→ The Essential Commodities Act, 1955 -

This Act provides rules and regulations for the essential or necessity goods and provides rules for their distribution and pricing.

→ The Agricultural Produce Act, 1937 -

The Act prescribes grade standards for agricultural commodities and livestock products.

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Q 2 What are the responsibilities of a consumer?

Answer. A consumer should keep in mind the following responsibilities while purchasing, using and consuming goods and services -

1. He must be aware of the terms of usage which govern the product.
2. He must be aware about the precautionary steps to be taken by him before using the product.
3. He must check various products available in the market before selecting the product of his choice.
4. He should read all the labels printed on the product carefully.
5. He should buy only those products which are standard and graded by a fair authority.
6. He must buy only legal products and ask the seller for the cash memo.
7. In case the product isn't appropriate and doesn't match the description then he should file a complaint against the seller.
8. He may form a consumer society in order to work in a group to safeguard the interest of all the members.

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Q3 Who can file a complaint in a consumer court?

Answer. A complaint in a consumer court can be filed by any of the following -

→ Any consumer.

- Any registered consumer's association.
- The Central Government or any State Government.
- One or more consumers, on behalf of numerous consumers having the same interest.
- A legal heir or representative of a deceased consumer.

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Q4 FSSAI (Food Safety and Standards Authority of India) has made a proposal for hotels and other food outlets to declare the kind of oil/fat used in cooking each of the food items on their menus. Name and explain the Consumer Right being reinforced by this proposal.

Answer. Right to be Informed is being reinforced by the proposal. Amongst the other rights, the consumer has the right to get complete and correct information about the product which he wants to buy. He must be informed about the ingredients used, the manufacturing date, price of the product, and other necessary information. All this information should be printed on the package and label of the product.

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Q5 Who is a consumer as per CPA?

Answer. A consumer is the person who buys goods and services for his personal consumption and not for resale purpose. He may procure goods and services from any seller for his personal consumption.

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Q1 Explain the importance of consumer protection from the point of view of a business.

Answer. A business can not survive without paying attention to protecting the consumers interest and adequately satisfying them. This is important because of the following reasons

→ Long Term Interest of Business

Business firms should aim at long term profit maximisation through customer satisfaction. Satisfied customers not only lead to repeat sales but also provide good

feedback to prospective customers and thus help in increasing the customer base of business.

→ Business uses Society's Resources

Business organisations use resources which belong to the society, thus they have a responsibility to supply such products and render such services which are in public interest.

→ Social Responsibility

A business has social responsibility towards various interest groups. Business organisations make money by selling goods and providing services to consumers. Thus, consumers form an important group among the many stakeholders of business and like other stakeholders, their interest has to be well taken care of.

→ Moral Justification

The moral duty of any business is to take care of consumer's interests and secure them from exploitation. Thus, a business must avoid insecure loss, exploitation and unfair trade practices like defective and unsafe products, adulteration, false and misleading advertising hoarding, black marketing etc.

→ Government Intervention

A business engaging in any form of exploitation time trade practices would invite government intervention or action. Thus, it is advisable that business organisations voluntarily resort to such practices, where the customers need and interests will be taken care of.

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Q2 Explain the rights and responsibilities of consumer?

Answer. The Consumer Protection Act provides six rights to consumers. They are as follows

→ Right to Safety

The consumer has a right to be protected against goods and services which are hazardous to life, e.g., sometimes we purchased the food items of low quality which causes severe

problems. Thus, in this case, we should purchase good quality and FPO labelled products.

→ Right to be Informed

The consumer has a right to have complete information about the product, which he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use etc. Under the legal framework of India manufacturers have to provide such information on the package and label of the product.

→ Right to Choose

The consumer has the freedom to choose from a variety of products. The marketers should offer a wide variety of products and allow the consumer to make a choice and choose the product which is most suitable.

→ 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.

→ Right to Seek Redressal

The Consumer Protection Act provides a number of reliefs to the consumer including replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer etc.

→ Right to Consumer Education

The consumer has a right to acquire knowledge about products. He should be aware about his rights and the reliefs available to him in case of a product/service falling short of his expectations. Many consumer organisations and some enlightened businesses are taking an active part in educating consumers in this respect.

### Consumer Responsibilities

A consumer must be aware about these responsibilities while purchasing, using and consuming goods and services

→ Consumers must be aware of all their rights.

→ Consumers must be careful while purchasing a product.

→ He should file a complaint for the redressal of genuine grievances.

→ Consumers must buy a standardised good.

→ He should ask for a cash-memo on purchase of goods and services

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Q3 What are various ways in which the objective of consumer protection can be achieved?

Answer. There are various ways in which the objective of consumer protection can be achieved

→ Self Regulation by Business Socially responsible firms follow ethical standards and practices in dealing with their customers. Many firms have set up their customer service and grievance cells to redress the problems and grievances of their consumers.

→ Business Associations

The associations of trade, commerce and business like Federation of Indian Chambers of Commerce of India (FICCI) and Conference of Indian Industries (CII) have laid down their code of conduct which lays down for their members the guidelines in their dealings with the customers.

→ Consumer Awareness

A consumer, who is well informed about his rights and the reliefs, would be in a position to raise his voice against any unfair trade practices or exploitation.

→ Consumer Organisations

Consumer organisations play an important role in educating consumers about their rights and protecting them. These organisations can force business firms to avoid malpractices and exploitation of consumers.

→ Government

The Government can protect the interests of the consumers by enacting various legislation. The legal framework in India encompasses various legislation which provides protection to consumers. The most important of these regulations is the Consumer Protection Act, 1986. The Act provides for a three-tier machinery at the District, State and National levels for redressal of consumer grievance.

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Q4 Explain the redressal mechanism available to consumers under the Consumer Protection Act, 1986.

Answer. For the redressal of consumer grievances, the Consumer Protection Act provides for setting up of a three-tier enforcement machinery at the District, State and the National levels.

→ District Forum A complaint can be made to the appropriate District Forum when the value of goods or services, along with the compensation claimed, does not exceed ₹ 20 lakhs. In case the aggrieved party is not satisfied with the order of the District Forum, he can appeal before the State Commission within 30 days.

→ State Commission A complaint can be made to the appropriate State Commission when the value of the goods or services, along with the compensation claimed, exceeds ₹ 20 lakhs but does not exceed ₹ 1 crore. The appeals against the orders of District Forum can also be filed before the State Commission. In case the party is not satisfied with the order of the State Commission, he can appeal before the National Commission within 30 days of the passing of the order by State Commission.

→ National Commission A complaint can be made to the National Commission when the value of the goods or services, along with the compensation claimed exceeds ₹ 1 crore. The appeals against the orders of a State Commission can also be filed before the National Commission. An order passed by the National Commission in a matter of its original jurisdiction is appealable before the supreme court. This means that only those appeals, where the value of goods + services in question, along with the compensation claimed, exceeded ₹. 1 crore and where the aggrieved party was not satisfied with the order of the National Commission, can be taken to the Supreme Court of India.

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Q5 Explain the role of consumer organisations and NGOs in protecting and promoting consumer's interest.

Answer. Consumer organisations and NGOs perform several functions for the protection and promotion of interest of consumers. In India, these

associations are performing lots of functions some of them are

→ Educating the general public about consumer rights by organising training programmes, seminars and workshops.

→ Publishing periodicals and other publications to impart knowledge about consumer problems, legal reporting, reliefs available and other – matters of interest.

→ 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.

→ Encouraging consumers to strongly protest and take action against unscrupulous, exploitation and unfair trade practices of sellers.

→ Providing legal assistance to consumers by providing aid, legal advice etc in seeking legal remedy.

→ Filing complaints in appropriate consumer courts on behalf of the consumers.

→ Taking an initiative in filing cases in consumer court in the interest of the general public, not for any individual.

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