

CLASS 12 BUSINESS STUDIES
CHAPTER-12
CONSUMER PROTECTION

IMPORTANT QUESTIONS

VERY SHORT ANSWER QUESTIONS (1 or 2 Marks)

QUESTION 1.

On the eve of Diwali Ravi purchased two kilograms of sweets from Nandan Sweets. On consumption of sweets his wife fell sick and was to be hospitalized. Ravi wanted to file a case in the consumer forum but could not do so because he did not have any proof of buying the sweets from Nandan sweets. Name the document that Ravi could have obtained for filing the complaint in the consumer forum.

Answer. Cash memo.

QUESTION 2.

Mention when as a consumer you are not in a position to resolve your grievance under consumer protection act.

Answer.

As a consumer we are not in a position to resolve our grievances when we have not fulfilled the responsibilities of a consumer.

QUESTION 3.

Sandeep purchased a diesel car for Rs. 7 lacs from an automobile company and found its engine defective. Despite many complaints, the defect was not rectified. Suggest to him the appropriate authority where he could file a complaint under consumer protection Act.

Answer. District Forum.

QUESTION 4.

A company is using sub- standard electric wiring in its coolers. Which consumer right is being violated?

Answer. Right to safety.

QUESTION 5.

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?

Answer. Rita can check for FPO (Fruit product order 1955) certifications. She can check the date of manufacture and expiry and check the storage / display conditions.

QUESTION 6.

Under three-tier machinery where can a legal heir or representative of a deceased consumer file a complaint where the compensation claim is Rs 25 lakhs.

(CBSE BOARD 2013)

Answer.

If the compensation claim is Rs 25 lakh, then the legal heir or representative of a deceased consumer can file a complaint with the state commission.

QUESTION 7.

Pragya bought 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 she can be protected.

(CBSE BOARD 2013)

Answer

The right under which Pragya can be protected is the right to safety.

QUESTION 8.

Manvendra always went to a specific shop to buy all consumable and non- consumable goods. In this shop variety of products of different brands were displayed nicely and the sales person available also gave good sales presentation if required. However, this shop was quite far off from his residence. His friend Annant always wondered why Manvendra wastes so much time in going to that shop where as there were many big brand hops situated near his residence having consumable and non-consumable goods.

Annant asked Manvendra the reason of going to that particular shop. Manvendra told that he was exercising one of his 'Rights' which he could not exercise in near-by big brand shops. State the consumer's right which Manvendra had exercised.

(CBSE BOARD 2016)

Answer. Right to Choose had been exercised by Manvendra. This is because in the shop variety of products of different brands were displayed nicely and Manvendra can easily choose from the displayed products.

QUESTION 9.

Suman bought a box of cheese of a reputed brand from a local shopkeeper. On opening the box she found a piece of stone in the cheese. She reported the matter to the shopkeeper who forwarded her complaint to the concerned company. Within a week the representative of the company visited Suman's residence with an apology and as a replacement offered her a new cheese pack with four other varieties of cheese as compensation for the inconvenience to her. State the consumer right which Suman exercised.

Answer. "Right to seek Redressal" is the consumer right exercised by Suman.

QUESTION 10.

Manuj bought a packet of chips from a local shopkeeper and found that the ingredients given on the label were not legible. He complained about it to the company. The company sent a written apology stating that they will make sure that existing packets are withdrawn from the market and new packets with legible labels are soon made available. State the consumer right which Manuj exercised.

(CBSE BOARD 2016)

Answer. Manuj exercised 'Right to be informed'.

Explanation: In this scenario, Manuj could not see the ingredients used in the chips, as they were not legible. Since, a consumer has the right to be completely informed regarding the quality, quantity, price, ingredients, weight, etc., of goods and services, he exercised this right.

SHORT ANSWER QUESTIONS (3 or 4 Marks)

QUESTION 11.

Explain any four points of importance of consumer protection from the point of view of business.

(CBSE BOARD 2013)

Answer.

Importance of consumer protection from the point of view of business:

i. Long-term Interest: For any business, consumer satisfaction is essential. In today's times, with increasing competition, consumer satisfaction has become all the more important. As the organisation takes care of the interests of consumers, it builds goodwill and reputation in the market. This in turn helps in increasing the sales and profits of the business. Thus, protecting consumer's interests benefits the business in the long run.

ii. Use of Resources: Any business survives on the basis of society. It uses the resources of society for its various production activities. It earns profits with the sale of these goods and services to society. Thus, the business must take care of the interest of society and supply goods and services, which adhere to the overall interests and wellbeing of society.

iii. Ethical Reasoning: Every business must follow basic moral and ethical values. It must not follow any such business practices which lead to exploitation of consumers in any form.

iv. Responsibility towards Society: Any business strives to exist on the basis of society. It sells various goods and services to consumers in society and earns profit. Thus, it is the responsibility of the business to consider this and work towards satisfying consumer interests.

QUESTION 12.

Mr. Verma who was a vegetarian went to a snack bar for having French fries and later found out that it had non-vegetarian content. Neither the advertisement nor the packing of the product displayed that the product has non-vegetarian content. Will Mr. Verma be able to claim compensation which right of the consumer is violated here?

Answer. In the given case there is violation of the consumer right to know. According to the amendment of the regulations in weight and measurement Act. (2000) every product should explicitly bear a green dot for vegetarian ingredients while brown reveals that non-vegetarian ingredients have been used. It is also mandatory to show the dot on an advertisements electronic

or press and all posters ,banners ,stunts etc. hence Mr. Bharti would be able to claim the compensation.

QUESTION 13.

State any three directions which can be issued by the consumer court to the opposite party if it is satisfied about the genuineness of the complaint.

(CBSE BOARD 2016)

Answer. The three directions, which can be issued by the consumer court to the opposite party if it is satisfied about the genuineness of the complaint, are:

1. Repair the defective goods or remove the deficiency in the service.
 2. Replacement of the defective good with a new one.
 3. Refund the price paid by the consumer for the goods or the services.
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QUESTION 14.

What is meant by a 'consumer' as per the provisions of Consumer Protection Act, 1986?

Answer. As per the Consumer Protection Act, a consumer is defined as follows:

(i) Any individual who purchases any good for which he has paid or promised to pay; partly paid and promised to pay the remaining part. That is, it includes all individuals who use the goods with the approval of the seller. However, those individuals who purchase the goods for the purpose of resale or for commercial purposes are not considered as consumers.

(ii) Any individual who avails any service or hires a service for which he has paid or promised to pay; partly paid and promised to pay the remaining part. That is, it includes all individuals who have availed the service with the approval of the seller.

QUESTION 15.

State any three points of importance of consumer protection from the point of view of consumers.

(CBSE BOARD 2014)

Answer.

Consumer protection refers to educating consumers regarding their rights and responsibilities along with the redressal of their grievances and complaints. Important points of consumer protection from the point of view of consumers:

- i. Ignorance of consumers:** In India, consumers are unaware about their rights and available reliefs; it becomes important to educate them about the rights of a consumer.
 - ii. Exploitation of consumers:** Sellers are engaged in exploitative and unfair trade practices to increase sales, implying the need for consumer protection.
 - iii. Unorganized consumers:** In India, consumer organisations and NGOs are few and not that powerful.
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QUESTION 16.

Explain the following rights of consumers:

- (i) Right to be informed**
- (ii) Right to safety**

Answer.

i. Right to be Informed: Every consumer has the right to have complete information with regard to goods and services purchased by them. For instance, they must have information regarding quality, quantity, price, ingredients and weight of goods and services. In India, it is mandatory by law for manufacturers to provide information about the product on its package and the label. This helps the consumer in making an informed, wise choice.

ii. Right to Safety: It is the right of consumers to safeguard themselves against goods and services, which can be hazardous to life, health or property. For example, consumers can be injured if they use defective electrical appliances. Every consumer has the right to protect himself against such goods.

QUESTION 17.

State any three functions performed by non-governmental organisations for consumer protection.

(CBSE BOARD 2016)

Answer. The functions performed by Non- Governmental Organisations (NGOs) for consumer protection are as follows.

- i) Consumer Education:** The NGOs and consumer organisations organize various training programmes and workshops to educate the consumer about their rights and responsibilities.

ii) Publishing Journals: In addition to the training programmes and seminars they also spread awareness through journals and periodicals. These journals and other publications provide knowledge about various consumer problems, legal remedies available and other such matters.

iii) Testing Quality of the Products: They carry out the quality tests for various products in laboratories and publish the results. Such results help the consumers in making informed choices.

QUESTION 18.

Who can file a complaint in a consumer court?

Answer:

For the redressal of the grievances of consumers, consumer courts and consumer forums have been established under the Consumer Protection Act. The following can file a complaint in a consumer court.

- (i) Any consumer
 - (ii) Any registered consumer association or organisation
 - (iii) The Central and State Government
 - (iv) A consumer or a group of consumers on behalf of a number of consumers having same interest.
 - (v) A legal heir or a representative of the deceased consumer.
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LONG ANSWER TYPE QUESTIONS (5 OR 6 MARKS)

QUESTION 19.

Pooja purchased a packet of juice from the local grocery shop. The information provided on the packet was not clear. She fell sick on consuming it. She filed a case in the District Forum under Consumer Protection Act and got the relief.

(a) Identify the important aspect which has been neglected by the marketer in the above case.

(b) Explain briefly the functions of the aspect identified in (a) above.

Answer.

- (a) The aspect neglected by the marketer in the above case is 'Labelling'.
- (b) The following points highlight the functions of labelling.

i) Description of use and contents: The main function performed by labelling is to provide the description about the product regarding its use, application, cautions, content, etc. For example,

on the bottle of a shampoo, the contents are written, along with the cautions such as keep away from children below the age of 10. Similarly, on food products such as maggi cuppa mania, a picture of noodles is there describing its appearance. Along with this, the ingredients and procedure of making it is also stated.

ii) Identification and Differentiation: A label helps in easy identification of the product. It helps the consumers to differentiate their favorable products from other products. For example, in a potato chip product, a man eating potato chips is imprinted for identification. A label also provides other valuable information such as name or address of the manufacturer, net weight, maximum retail price, batch number, etc.

iii) Standardizing and Grading: A label also helps in setting grades for a product. This helps the marketers to classify the product in different categories based on certain specific quality or features. For example, a brand of face-cream comes in different categories such as oily skin, dry skin and normal skin.

iv) Promotes the Production: An attractive label helps the marketers in promoting the product as well. It helps in attracting more customers towards the product. For example, for maggi noodles, the label says "Taste bhi, Health bhi". Herein, label plays an important role in highlighting the product and promoting its sale.

v) Information Required for Law: Label also provides and mentions the information, which are required to be mentioned as per the law. For example, on a packet of tobacco it is written 'chewing tobacco is injurious to health'.

QUESTION 20.

Indian Youth Organisation (IYO) organised a visit of its members to an old age home to inculcate the habit of social work among them. The visit revealed that the living conditions of the inmates of the old age home were not hygienic. So, the IYO members decided to clean the premises. During their cleanliness drive, they realised that the old age home also required pest control. But some of the inmates of old age home were reluctant for it because they believed that the pest control may create health problems for them. IYO, therefore decided to provide ethical, safe and odourless pest control. They showed to the inmates of old age home a pamphlet of the proposed pest control product which promised easy, inexpensive and long lasting pest control. The inmates happily agreed and the pest control was carried out. It worked for a fortnight but to their dismay the effect started wearing off. IYO contacted the pest control company which kept on postponing their visit. After waiting for a month, IYO filed a case in the consumer court.

The consumer court was satisfied about the genuineness of the complaint and issued necessary directions to the pest control company.

(a) State any six directions that might have been issued by the court.

(b) Also, identify any two values that are being communicated by IYO to the society.

(CBSE BOARD 2017)

Answer. (a) The court may direct to

- (i) Repair the defective goods or remove the deficiency in service.
- (ii) Replacement of the defective good with a new one.
- (iii) Refund the price that was paid by the consumer for the good or service.
- (iv) Payment of compensation in cash for the loss or injury suffered.
- (v) Removal of misleading advertisement and issue of a correct advertisement henceforth.
- (vi) Payment of an appropriate amount (not less than 5% of the good in question) to be credited to the Consumer Welfare Fund.

(b) Values involved

- (i) Promoting cleanliness and hygiene
- (ii) Fulfilling social responsibility

QUESTION 21.

Sumit purchased an ISI marked washing machine of a famous brand 'MG' from TG Electronics Ltd. The shopkeeper asked him to wait for two days for installation of the machine. His friend, Vivek, was very fond of experimenting with new electronic products. He told Sumit that there is no need to wait for the company's representative to install the machine and that he could do it. So, both of them installed the machine without following the manufacturer's instructions. Initially, the machine worked effectively and the wash was good. But after two days, the machine started stopping in between the wash cycle. Sumit and Vivek tried their best to start the machine but failed in their efforts. Sumit, therefore, approached TG Electronics Ltd., which refused to provide any service on the plea that the installation of the machine was not done by the company.

(a) State the responsibility which Sumit had to fulfil as an aware consumer to get the services of the company.

(b) Explain briefly any two rights which Sumit could have exercised had he fulfilled his responsibility identified in part (a).

(CBSE BOARD 2018)

Answer.

(a) The responsibility, which Sumit had to fulfil as an aware consumer to get the services of the company, is to learn the risks associated with the products and services, follow manufacturer's instructions and use the products safely.

(b) Two rights which Sumit could have exercised had he fulfilled his responsibility:

i. Right to be Heard: It is the right of consumers to be heard in an appropriate legal forum in case of any grievance or dissatisfaction faced by them. In other words, a consumer has the right to file a complaint in case of any grievance.

ii. Right to Seek Redressal: It is the right of consumers to seek redressal in case of a grievance and, if required, demand a suitable compensation. The Consumer Protection Act provides for compensation in the form of replacement of product, cash compensation and repair/removal of defects.

QUESTION 22.

As a well informed consumer. what kind of quality certification marks you will look for before buying 'products? Specify any 6 points.

Answer. Some of the quality certification marks are:

(1) FPO(Fruit Products Order 1955) – It contains specification and quality control requirements regarding the production and marketing of processed fruits and vegetables ,sweetened aerated water, vinegar and synthetic syrups.

(2) ISI- On consumer durable products.

(3) Hall mark- BIS certification scheme for gold jewellery items.

(4) Earthen Pitcher –For Labeling Environment friendly products.

(5) AGMARK – It is a grade standard for agricultural commodities and like stock products.

(6) Wool mark- It signifies 100% pure wool.

QUESTION 23.

Explain the rights and responsibilities of a consumer.

Answer :

The Consumer Protection Act enlists six rights for a consumer. The following are the rights of a consumer.

1. Right to Safety: Every consumer has the right to be safeguarded against those goods and services that are hazardous to life, health and property. For example, manufacturing defects in electrical appliances, cooking gas cylinders can be injurious. The consumer has the right to be protected against such products.

2. Right to be Informed: According to this, the consumer has the right to be informed of the quality, quantity, price, ingredients, weight, etc. of the goods and services. In India, it is legally mandatory for the manufactures to provide all such information on the package and the label of the goods. This enables the consumer to make a wise choice.

3. Right to Choose: A consumer has the right to choose from a variety of goods and services at competitive prices as per his wishes. That is, the consumer has the right to have access to a variety of products at fair and competitive price. Thus, the retailer or the supplier should offer a variety of products in terms of quality, brand, price, etc. They should not induce the consumers towards the purchase of a particular product or service.

4. Right to be Heard: In case of any grievance or dissatisfaction, a consumer has the right to file a complaint. A consumer can file a legal complaint and seek redressal against any form of exploitation in appropriate forums established by the government. Nowadays, many consumer organisations and associations also work in this direction.

5. Right to Seek Redressal: A consumer has the right to seek redressal and compensation in case of any exploitation. The Consumer Protection Act provides for compensation in the form of replacement of product, cash compensation, repair/removal of defects, etc.

6. Right to Consumer Education: A consumer has the right to be educated and aware of his rights and the available remedies in case of exploitation. Many government and non-government organisation work actively in this regard.

In addition to the rights, a consumer has some responsibilities to safeguard himself from exploitation.

The following are some of the responsibilities of a consumer.

(i) Awareness: A consumer should be well aware of the availability of various goods and services. This enables him to make an informed and wise choice.

(ii) Looking for Quality Marks: A consumer must always look for the quality certification marks before the purchase of goods such as ISI in case of electrical goods, AGMARK in case of agricultural goods, etc.

(iii) Asking for Cash Memo: A consumer should always ask for cash memo or bills for the goods and services purchased. The bill acts a proof of purchase and can be used for future references in case of a complaint.

(iv) Reading Labels: Labels on goods provide information regarding price, weight, expiry date of the product. The consumer must read these labels carefully before purchasing the goods.

(v) Honest Transactions: A consumer must always choose legal dealings and discourage illegal trade practices such as black marketing and hoarding.

(vi) Ensure Safety: A consumer must carefully read the manuals and instructions provided by the manufacturer so as to ensure safe use of the product. For example, instructions provided on the electrical appliances must be carefully read before using them.

(vii) Filing Complaint: In case the product is found defective or any deficiency is found in the quality of the product, a complaint must be filed in the appropriate forum.

(viii) Consumer Societies: Consumer organisations and societies such as consumer Coordination Council, Common Cause, Karnataka Consumer Service Society, etc. must be formed to work towards consumer education and awareness.

(ix) Environment Protection: The consumers must also work towards environment protection by avoiding wastes, pollution control, etc.
