

CBSE Test Paper - 04 (Chapter - 12 Consumer Protection)

1. NGOs are _____ (1)
 - a. Service providing organisations
 - b. Government organisations
 - c. Profit making organisations
 - d. Non profit organisations
2. The consumer has a right to get relief in case of defective goods or deficient services as per the _____ (1)
 - a. Right to be heard
 - b. Right to be informed
 - c. Right to seek redressal
 - d. Right to choose
3. _____ is set up by the Central Government (1)
 - a. District forum
 - b. State commissions
 - c. None of these
 - d. National commission
4. State how self regulation by business acts as a means of consumer protection. (1)
5. Government is actively advertising for 'Jago Grahak Jago'. Which consumer right is highlighted in the given statement? (1)
6. How many members are required to constitute 'District consumer dispute redressal forum'? (1)
7. Why consumer protection is important for a businessman? Give any one reason. (1)
8. 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 hospitalised. Ravi wanted to fill 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 the Ravi could have obtained for filing the complaint in the consumer forum. (1)
9. Explain the following Rights of Consumers:
 - i. Right to safety;
 - ii. Right to be heard. (3)
10. State any three points of importance of consumer protection from the point of view of

business. (3)

11. State how Self Regulation by Business and Business Association act as the ways of achieving the objectives of consumer protection. (4)
12. Harish purchased a medicine from 'Bhatia Medical Stores' for his son, who had high fever. Even after giving the medicine his son's condition did not improve and he had to be hospitalised. Doctor informed Harish that the medicine given to his son was spurious. Harish complained about this to Bhatia Medical Stores'. As a result, 'Bhatia Medical Stores' decided to file a complaint against the manufacturer in the consumer court. Can 'Bhatia Medical Stores' do this? Give reason in support of your answer. Also explain who is a consumer as per 'Consumer Protection Act 1986'. (4)
13. What is meant by consumer protection? State any four points of importance of consumer protection from the point of view of consumers. (5)
14. Surekha is a student of 10+2 (commerce) Class. She listened attentively and understood the lecture on Consumer Protection Act delivered by the teacher. Her teacher remarked that currently consumers enjoy several rights. In case, goods purchased by him/ her causes harm to his/her health and property, there is a provision for compensating him/her. Besides, this Act has also some expectations from the consumers. That during the course of his/her purchases he/she should keep certain things in mind. Briefly, provisions of the Act can protect the consumer only when he/she has complied with certain fundamental things.
The very next day of this lesson, Surekha purchased an ISI marked Heater from Bharti Appliances. She made cash payment. But failed to get Cash Memo. While making use of the heater she observed that it was not working properly. She contacted the shopkeeper immediately and told him her problem. Shopkeeper paid no heed to her complaint. Rather he remarked that the good in question was not bought from his shop.
 - i. Identify and explain the right and responsibility of the consumer as referred to in the above paragraph.
 - ii. In addition to the right and responsibility of the consumer identified in point a. write one more right and one responsibility.
 - iii. Can Surekha lodge a complaint against the shopkeeper? (6)
15. Explain in brief any four rights of consumers as provided under the Consumer Protection Act, 1986. (6)

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Answer

1. d. Non profit organisations

Explanation:

- **Non-governmental organisations (NGOs) are non-profit organisations which aim at promoting the welfare of people.**
- They have a constitution of their own and are free from government interference.
- For an example
 - Common Cause, Delhi
 - Mumbai Grahak Panchayat, Mumbai etc.

2. c. Right to seek redressal

Explanation:

- **The consumer has a right to get relief in case of defective goods or deficient services or the product or service falls short of his expectations.**
- The Consumer Protection Act provides a number of **reliefs to the consumers including replacement of the product, removal of defect in the product, compensation paid for any loss or injury suffered by the consumer, etc.**

3. d. National commission

Explanation:

- National commission is set up by the Central Government.
- The National Commission consists of a President and at least four other members, one of whom should be a woman.
- They are appointed by the Central Government.
- A complaint can be made to the National Commission when the value of the goods or services in question, along with the compensation claimed, exceeds Rs. 1 crore.
- The appeals against the orders of a State Commission can also be filed

before the National Commission.

4. Consumers can express their views and concerns more freely to the seller.
5. Right to Consumer Education.
6. District consumer dispute redressal forum consists of a President and two other members, one of whom shall be a woman.
7. It helps in achieving the aim of long-term profit maximisation through consumer satisfaction.
8. A cash memo or the purchase bill with proper format would have helped him file a complaint in the consumer forum.
9.
 - i. **Right to safety** A 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 sub-standard products do not conform to the safety norms, might cause serious injury. Therefore, the companies should manufacture the product by taking into consideration the quality and safety features of the product and the product must bear a standard safety mark like ISI and AGMARK. Thus, consumers are educated that they should use electrical appliances which are ISI marked, as this would be an assurance of such products meeting quality specifications
 - ii. **Right to be heard** A consumer has a right to file a complaint and to be heard in case of dissatisfaction with regard to a good or service. It is because of this reason that many enlightened business firms have set up their own consumer service centers and grievance cells. Many consumer organizations are also working towards this direction and helping consumers in redressal of their grievances. Consumers must become vigil towards this fact that in case they are cheated, then they can seek justice by approaching the grievance cells.
10. A business must lay emphasis on consumer protection because of the following reasons
 - i. **The long-term interest of business:** It is in the long-term interest of business to satisfy their customers. Satisfied customers not only leads to repeated sales but

also helps in increasing the customer base. The company should not try to cheat or exploit its customers as the interest of the company lies in the interest of the customers.

- ii. **Social responsibility:** Being a part of the society, it is the social responsibility of every business to take care of the interest and protection of its consumers to reciprocate the benefits to the society.
 - iii. **Moral justification** It is the moral duty of any business to take care of consumer's interest and avoid any form of their exploitation. The business should believe in 'Honesty is the best policy'
 - iv. **Government intervention** A business engaged in any form of exploitation would invite government intervention or action. Unlike the above-mentioned points of importance, Government intervention forcefully makes the business believe in consumer protection.
11. i. **Self-regulation by Business:** In today's scenario, where there is stiff competition in the business world, only the best can survive. Therefore, the need of the hour is to make the customers loyal which is only possible when the sellers would be able to win their customers. In this way the self regulation by business, the sellers along with focusing on the maximization of profits, must also ensure the satisfaction of the customers and must not indulge in such practices which could affect the consumers adversely and ultimately force them to part away with the seller.
- ii. **Business associations** The associations of trade, commerce and business like Associated Chambers of Commerce (ASSOCHAM), Federation of Indian Chambers of Commerce of India (FICCI) and Confederation of Indian Industries (CII) have laid down certain code of conduct, which lay down for their members the guidelines regarding dealings with the customers
12. i. Bhatia Medical Stores cannot file a complaint. This is because Bhatia Medical Stores is not a consumer as per Consumer Protection Act, 1986 because they bought the goods for resale/commercial purpose.
- ii. A 'consumer' is generally understood as a person who uses or consumes goods or avails of any service. Under the Consumer Protection Act, a consumer is defined as:
 - a. Any person who buys any goods for a consideration, which has been paid or

promised, or partly paid and partly promised, or under any scheme of deferred payment. It includes any user of such goods, when such use is made with the approval of the buyer, but does not include a person who obtains goods for re-sale or any commercial purpose.

- b. Any person who hires or avails of any service, for a consideration which has been paid or promised, or partly paid and partly promised, or under any system of deferred payment. It includes any beneficiary of services when such services are availed of with the approval of the person concerned, but does not include a person who avails of such services for any commercial purpose.

- 13. Consumer Protection refers to the laws designed to ensure the rights of consumers as well as fair trade, so as to protect the consumers against the unscrupulous, exploitative and unfair trade practices of manufacturers and service providers.

Importance of 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. The importance of consumer protection are:

From Consumers' Point of View:

- i. Consumer ignorance: Due to ignorance of consumers about (a) their rights and reliefs available to them; (b) how to exercise these rights; (c) how to seek reliefs, it becomes necessary to educate them about the same so as to achieve consumer awareness.
- ii. Unorganised consumers:
 - a. Consumers need to be organised in the form of consumer organisations which would take care of their interests.
 - b. Adequate protection is required to be given to consumers till the consumers organisations become powerful enough to protect and promote the interests of consumers.
 - c. Widespread exploitation of consumers: Consumers might be exploited by unfair trade practices. Consumers need protection against unfair trade practices of the sellers such as:

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- Defective and unsafe products
 - Charging over Maximum Retail Price
 - Adulteration
 - Misleading advertisements
 - False weights and measures
 - Incomplete information on packaged goods etc.

14. i. **Right**

- **Right to Safety:** It is the right to safety against such goods and services as are hazardous to his health, life and property. For example, spurious and sub-standard drugs, appliances made of low quality raw materials, such as electric press, pressure cooker, etc, and low quality food products like bread, milk, jam, butter, etc., that can cause harm to the consumers. Sometimes the manufacturing defects in pressure cookers, gas cylinders and other electrical appliances may cause loss to life, health and property of customers. The consumers have the right to safety against the loss caused by such products.

Responsibility

- **Do not forget to get Cash Memo and Guarantee/Warranty card:** Cash memo or receipt of good should be surely received. Along with it, if Guarantee/Warranty of good is given, then do not ever forget to get Guarantee/Warranty card. In case of dispute with the seller on account of inferior quality of the goods, these documents will be of great help in settling the same. But if you don't have the Cash Memo and Guarantee/Warranty Card you don't able to file a complaint against seller.

ii. **Right**

- **Right to be informed:** A consumer has also the right to be provided with all the information on the basis of which he decides to buy goods or services.

This information can relate to quality, purity, potency, standard, date of manufacture, method of use, etc., of the commodity. Thus, a producer is required to provide all such information in a proper manner, in the proper place of the packet of product so that the consumer is not cheated.

Responsibility

- **Do not buy in Hurry:** The first responsibility of the consumer is that they should not buy in hurry. It means that the consumers should make an estimate of the things that they want to buy well in time and also think which thing, in what quality and from where to buy and also check that product is a standardised product not of local one.

iii. No, Surekha cannot lodge a complaint against the shopkeeper because she does not possess the cash memo which is the proof of purchase. Consumer must ask for a Receipt/Bill/Cash Memo because- 1) Government loses tax revenue when consumer does not take a bill. 2) In case of a faulty product, consumer will not be able to claim compensation, if there is no bill.

15. The Consumer Protection Act provides for six rights of consumers. These are:

1. Right to safety:

1. Consumers have the right to be protected against the marketing of products and services which are dangerous or hazardous to their health, life and property.
2. For example, if electrical goods, chemical products, gas cylinders, pressure cookers etc. happen to have any manufacturing defect, these may harm the consumer resulting in injury to him or his death or damage to his property.
3. If, in spite of all the precautions, injury is caused, a consumer has the right to complain against the businessman and is entitled to claim compensation.

2. Right to be informed:

1. Consumers have the right to be informed about the quality, quantity, purity, durability, standard and price of the products.
2. They must also be informed about the following:
3. A consumer must be given adequate information so that he may assess whether the item he buys is worth the money he spends.

3. Right to choose:

1. Every consumer has the right to choose the product at competitive prices which are fair and reasonable.
2. He must have access to the variety of goods available and must be able to

compare the relative qualities and prices of similar products.

4. Right to be heard:

1. Every consumer has the right to be heard by the manufacturers, distributors, Traders, the government and the local bodies.
2. The consumer's right to be heard includes legal hearing to get redressed. Such a right can be exercised effectively only if the consumers are well-organised.
3. Many business houses have set up customer care cells for this purpose.

5. Right to seek redressal:

1. Every consumer has the right to seek redressal against (a) Restrictive Trade Practices, which restrict competition in the market or unfair trade practices, Defective Goods, (c) Excess Charging of price, (d) Deficient Services, and (e) Supply of Hazardous Goods.
2. He can claim replacement of defective goods, removal of defect in the product, refund of money or compensation for loss/injury suffered etc.

6. Right to consumer education:

1. The consumer has a right to acquire knowledge and to be a well-informed consumer throughout life.
 2. He should be aware about his rights and the reliefs available to him in case of a product or service falling short of his expectations.
- How to use the products?
 - What safety measures or precautions are to be taken to avoid loss or injury?
 - What is the date of expiry of products like medicines etc.?