

Chapter 8

Market and Consumer Protection

I. Choose the correct Answer:

Question 1.

In which case a consumer cannot complain against the manufacturer for a defective product?

- a) Date of expiry unspecified
- b) Price of the commodity
- c) Batch number of the commodity
- d) Address of the manufacturer

Answer:

- c) Batch number of the commodity

Question 2.

Consumer's face various problems from the producer's end due to

- a) Unfair trade practices
- b) Wide range of goods
- c) Standard quality goods
- d) Volume of production

Answer:

- a) Unfair trade practices

Question 3.

Consumers must be provided with adequate information about a product to make

- a) Investment in production
- b) Decision in sale of goods
- c) Credit purchase of goods
- d) Decision in purchase of goods

Answer:

- d) Decision in purchase of goods

Question 4.

The system of consumer courts at the national, state, and district levels, looking into consumers grievances against unfair trade practices of businessmen and providing necessary compensation, is called as

- a) Three tier system

- b) One tier system
- c) Two tier system
- d) Four tier system

Answer:

- a) Three tier system

Question 5.

Mixing other extraneous material of inferior quality with a superior quality material is called

- a) Purification
- b) Adulteration
- c) Refinement
- d) Alteration

Answer:

- b) Adulteration

II. Fill in the blanks:

1. A set up where two or more parties engage in of goods, services and information is called a market.

Answer:

Buying and selling

2. In regulated Markets, there is some oversight by appropriate authorities.

Answer:

government

3. refers to a market structure in which there is a single producer or seller that has a control on the entire market.

Answer:

Monopoly

4. statue is regarded as the 'Magna Carta' in the field of consumer protection for checking unfair trade practices.

Answer:

COPRA

III. Match the following:

A	B
1. The Consumer Protection Act	a) 1955
2. The Legal Metrology Act	b) 1986
3. The Bureau of Indian Standards	c) 2009
4. The Essential Commodities Act	d) 1986

Answer:

A	B
1. The Consumer Protection Act	c) 2009
2. The Legal Metrology Act	b) 1986
3. The Bureau of Indian Standards	d) 1986
4. The Essential Commodities Act	a) 1955

IV. Consider the following statements:

Question 1.

Tick the appropriate **Answer**:

Assertion (A) : In local Markets the buyers and sellers are limited to the local region or area.

Reason (R) : A market is not restricted to one physical or geographical location.

- a) Both, A and R, are true and R is the correct explanation of A
- b) Both, A and R, are true but R is not the correct explanation of A
- c) If A is true but R is false
- d) If A is false but R is true

Answer:

- b) Both, A and R, are true but R is not the correct explanation of A

VI. Answer the following questions:

Question 1.

What is the market?

Answer:

A setup where two or more parties are engaged in an exchange of goods, services, and information is called a market.

Question 2.

Describe consumer protection.

Answer:

- Consumer protection is a group of laws enacted to protect the rights of consumers, fairtrade, competition, and accurate information in the marketplace.
- This Act was enacted in 1986 in the Parliament of India to protect the interests of consumers.

Question 3.

List out the rights of consumers.

Answer:

1. The Right to Basic Needs.
2. The Right to Safety.
3. The Right to Information.
4. The Right to Choose.
5. The Right to representation.
6. The Right to Redress.
7. The Right to Consumer Education.
8. The Right to a Healthy Environment.

Question 4.

Discuss the role of consumer courts.

Answer:

Consumer courts in India:

National Consumer Disputes Redressal Commission (NCDRC):

- A national-level court works for the whole country and deals compensation claimed exceeds rupees one crore.
- The National Commission is the Apex body of Consumer Courts; it is also the highest appellate court in the hierarchy.

The National Consumer Disputes Redressal Commission (NCDRC),

- It is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986.
- Its head office is in New Delhi.

State Consumer Disputes Redressal Commission (SCDRC):

A state-level court works at the state level with cases where compensation claimed is above 20 lakhs but up to one crore.

District Consumer Disputes Redressal Forum (DCDRF):

A district-level court works at the district level with cases where the compensation claimed is up to 20 lakhs.

Question 5.

Write about the types of markets and their functions.

Answer:

On the Basis of Geographic Location:

1. **Local Markets:** In such a market the buyers and sellers are limited to the local region or area.
2. **Regional Markets:** These markets cover a wider area than local markets like a district, or a cluster of few smaller states
3. **National Market:** This is when the demand for the goods is limited to one specific country. Or the government may not allow the trade of such goods outside national boundaries.
4. **International Market:** When the demand for the product is international and the goods are also traded internationally in bulk quantities, we call it an international market.

On the Basis of Time:

1. **Very Short Period Market:** This is when the supply of the goods is fixed, and so it cannot be changed instantaneously. For example the market for flowers, vegetables, fruits etc.
2. **Short Period Market:** The market is slightly longer than the previous one. Here the supply can be slightly adjusted. Example: The demand of fish, milk or egg,
3. **Long Period Market:** Here the supply can be changed easily by scaling production. So it can change according to the demand of the market.

On the Basis of Nature of Transaction

1. **Spot Market:** This is where spot transactions occur, that is the money is paid immediately. There is no system of credit.
2. **Future Market:** This is where the transactions are credit transactions. There is a promise to pay the consideration sometime in the future.

On the Basis of Regulation:

1. Regulated Market: In such a market there is some oversight by appropriate government authorities. For example, the stock market is a highly regulated market.
2. Unregulated Market: This is an absolutely free market. There is no oversight or regulation, the market forces decide everything.

On the basis of Nature of competition:

1. Monopoly: Monopoly refers to a market structure in which there is a single producer or seller that has control over the entire market. This single seller deals in products that have no close substitutes.
2. Monopolistic Competition: Monopolistic competition refers to a market situation in which there are a large number of buyers and sellers of products.

1. Choose the Correct Answer:

Question 1.

..... is where the transactions are credit transactions.

- a) Future Market
- b) Local Market
- c) Regional Market
- d) National Market

Answer:

- a) Future Market

Question 2.

The term oligopoly has been derived from two words.

- a) Arabic
- b) Greek
- c) Tamil
- d) none

Answer:

- b) Greek

Question 3.

The COPRA Consumer Protection Act enacted in in the Parliament of India to protect the interests of consumers.

- a) 1933
- b) 1986
- c) 1968
- d) 1965

Answer:

b) 1986

Question 4.

The COPRA was passed in Assembly in

- a) November 1988
- b) October 1986
- c) October 1968
- d) December 1976

Answer:

b) October 1986

Question 5.

Indian Parliament passed the landmark Consumer Protection Bill in

- a) November 1988
- b) October 2018
- c) October 2019
- d) August 2019

Answer:

d) August 2019

II. Fill in the blanks:

1. In, the buyers and sellers are limited to the local region or area.

Answer:

Local Markets

2. covers a wider area than local markets like a district, or a cluster of few smaller states.

Answer:

Regional Markets

3. is the demand for the goods is limited to one specific country.

Answer:

National Market

4. When the demand for the product is international and the goods are also traded internationally in bulk quantities, is called as

Answer:
international market

5. There is no system of credit in

Answer:
Spot market

6. is a highly regulated market

Answer:
Regulated Market

7. refers to a market structure.

Answer:
Monopoly

8. TRAI means

Ans:
Telecom Regulatory Authority of India.

9. IRDAI means

Answer:
Insurance – Regulatory and Development Authority of India

10. The Bureau of Indian Standards Act was passed in

Answer:
1986

III. Match the following:

A	B
1. Local market	a) exceeds one crore
2. Spot market	b) no credit system
3. Oligopoly	c) 2009
4. NCDRC	d) perishable goods
5. The Legal Metrology	e) Market form

Answer:

A	B
1. Local market	d) perishable goods
2. Spot market	b) no credit system
3. Oligopoly	e) Market form
4. NCDRC	a) exceeds one crore
5. The Legal Metrology	c) 2009

IV. Answer the following questions:

Question 1.

Who is a Consumer?

Answer:

A Consumer is a person who purchases a product or avails a service for a consideration, either for his personal use or to earn his livelihood by means of self-employment.

Question 2.

Write the rules of Unfair Trade Practice.

Answer:

- “Goods once sold will not be taken back”
- “No exchange”
- “No refund under any circumstances”

Question 3.

Write down the highlights of the Consumer Protection Act.

Answer:

- E-Commerce Transactions
- Enhancement of Pecuniary Jurisdiction
- E-Filing of complaints
- Penalties for Misleading Advertisement