

Chapter 7: Consumer Protection

EXERCISE 1 [PAGES 146 - 148]

Exercise 1 | Q 1.1 | Page 146

Select the correct answer and rewrite the sentence.

In India, the consumer protection act was initiated in the year _____.

1. 1947
2. 1989
3. **1986**

SOLUTION

In India, the consumer protection act was initiated in the year **1986**.

Exercise 1 | Q 1.2 | Page 146

Select the correct answer and rewrite the sentence.

The President of District Commission is a _____.

1. **District Judge**
2. High Court Judge
3. Supreme Court Judge

SOLUTION

The President of the District Commission is a **District Judge**.

Exercise 1 | Q 1.3 | Page 146

Select the correct answer and rewrite the sentence.

The main objective of the consumer organization is to protect the interest of the _____.

1. **Consumer**
2. trader
3. producer

SOLUTION

The main objective of the consumer organization is to protect the interest of the **Consumer**.

Exercise 1 | Q 1.4 | Page 146

Select the correct answer and rewrite the sentence.

_____ is the highest authority to settle the consumer dispute under Act.

1. State Commission
2. **National Commission**
3. District Commission

SOLUTION

National Commission is the highest authority to settle the consumer dispute under Act.

Exercise 1 | Q 1.5 | Page 146

Select the correct answer and rewrite the sentence.

The Government has established _____ to settle the consumer disputes by compromise.

1. District Commission
2. **Lok Adalat**
3. Consumer organisation

SOLUTION

The Government has established **Lok Adalat** to settle the consumer disputes by compromise.

Exercise 1 | Q 1.6 | Page 147

Select the correct answer and rewrite the sentence.

National Commission has _____ members.

1. 2
2. 3
3. **4**

SOLUTION

National Commission has **4** members.

Exercise 1 | Q 1.7 | Page 147

Select the correct answer and rewrite the sentence.

District Commission entertains complaints of the consumer for compensation which is less than _____

1. **one crore**
2. ten lacs
3. ten crore

SOLUTION

District Commission entertains complaints of the consumer for compensation which is less than **one crore.**

Exercise 1 | Q 1.8 | Page 147

Select the correct answer and rewrite the sentence.

_____ is celebrated as World Consumer Day.

1. 24th December
2. 26th January
3. **15th March**

SOLUTION

15th March is celebrated as World Consumer Day.

Exercise 1 | Q 1.9 | Page 147

Select the correct answer and rewrite the sentence.

In modern competitive market, consumer is regarded as the _____.

1. **king**
2. Agency
3. Owner

SOLUTION

In the modern competitive market, consumer is regarded as the **king**.

Exercise 1 | Q 2 | Page 147

Match the pair.

Group A	Group B
A) King of the market	1) 1930
B) National Commission	2) Socialist
C) Mumbai Grahak Panchayat	3) Exceeds Rs. ten crore
D) Sale of Goods Act	4) Non-Government Organization
E) Consumer Right	5) Consumer
	6) Legislative Measures
	7) Exceeds Rs. One crore but does not exceeds Rs. ten crores.
	8) 1956
	9) Consumer Protection Act
	10) Right to information

SOLUTION

Group A	Group B
A) King of the market	5) Consumer

B) National Commission	3) Exceeds Rs. ten crore
C) Mumbai Grahak Panchayat	4) Non-Government Organization
D) Sale of Goods Act	1) 1930
E) Consumer Right	10) Right to information

Exercise 1 | Q 3.1 | Page 147

Give one word/phrase/term for the following sentence.

The commission which entertains case where the value of the goods or services paid as consideration does not exceed Rs. one crore.

SOLUTION

The commission which entertains case where the value of the goods or services paid as consideration does not exceed Rs. one crore. - **District Commission**

Exercise 1 | Q 3.2 | Page 147

Give one word/phrase/term for the following sentence.

A legal action initiated in a court of law regarding a matter of general public interest.

SOLUTION

A legal action initiated in a court of law regarding a matter of general public interest. - **Public Interest Litigation**

Exercise 1 | Q 3.3 | Page 147

Give one word/phrase/term for the following sentence.

Organizations aim at promoting the welfare of the people.

SOLUTION

Organizations aim at promoting the welfare of the people. - **Non-Government Organizations.**

Exercise 1 | Q 3.4 | Page 147

Give one word/phrase/term for the following sentence.

The right of the consumer which is about safety and protection to his life and health

SOLUTION

The right of the consumer which is about safety and protection to his life and health. - **Right to safety**

Exercise 1 | Q 3.5 | Page 147

Give one word/phrase/term for the following sentence.

One who consumes or uses any commodity or service.

SOLUTION

One who consumes or uses any commodity or service. - **Consumer**

Exercise 1 | Q 4.1 | Page 147

State whether the following statements are true or false.

The seller has to recognize the rights of the Consumer.

1. **True**
2. False

SOLUTION

The seller has to recognize the rights of the Consumer -**True**

Exercise 1 | Q 4.2 | Page 147

State whether the following statement is true or false.

Consumer Protection Act provides protection to the producer.

1. True
2. **False**

SOLUTION

Consumer Protection Act provides protection to the producer. - **False**

Exercise 1 | Q 4.3 | Page 147

State whether the following statement is true or false.

Consumer Protection Act is not required in India.

1. True
2. **False**

SOLUTION

Consumer Protection Act is not required in India - **False**

Exercise 1 | Q 4.4 | Page 147

State whether the following statement is true or false.

Lok Adalat can rightly be described as "People's Court".

1. **True**
2. False

SOLUTION

Lok Adalat can rightly be described as "People's Court" - **True**

Exercise 1 | Q 4.5 | Page 147

State whether the following statement is true or false.

The consumer, being the king of the market, does not have any responsibility.

1. True
2. **False**

SOLUTION

The consumer, being the king of the market, does not have any responsibility - **False**

Exercise 1 | Q 5.1 | Page 147

Find the odd one.

1. District Commission
2. State Commission
3. **NGO**
4. National Commission

SOLUTION

District Commission, State Commission, NGO, National Commission - **NGO**

Exercise 1 | Q 5.2 | Page 147

Find the odd one.

1. District Judge
2. High Court Judge
3. **Commissioner**
4. Supreme Court Judge

SOLUTION

District Judge, High Court Judge, Commissioner, Supreme Court Judge
- **Commissioner**

Exercise 1 | Q 6.1 | Page 148

Complete the sentence.

National Commission is to be established by the _____ Government.

SOLUTION

National Commission is to be established by the **Central** Government.

Exercise 1 | Q 6.2 | Page 148

Complete the sentence.

Any person who does not agree with the decision of the District Commission can appeal to the _____.

SOLUTION

Any person who does not agree with the decision of the District Commission can appeal to the **State Commission**.

Exercise 1 | Q 6.3 | Page 148

Complete the sentence.

State commission has _____ members.

SOLUTION

State commission has **four** members.

Exercise 1 | Q 6.4 | Page 148

Complete the sentence.

The President of the National Commission is a _____ judge.

SOLUTION

The President of the National Commission is a **Supreme Court** judge.

Exercise 1 | Q 6.5 | Page 148

Complete the sentence.

National Commission entertains complaints of the consumer for compensation that exceeds

Rs _____.

SOLUTION

National Commission entertains complaints of the consumer for compensation that exceeds

Rs **ten crore**.

Exercise 1 | Q 6.6 | Page 148

Complete the sentence.

The consumer protection Act established _____ Tier quasi-judicial systems for consumer protections exists.

SOLUTION

The consumer protection Act established **three** Tier quasi-judicial systems for consumer protections exists.

Exercise 1 | Q 7 | Page 148

Select the correct option and complete the following table.

(High court Judge, Four, Consumer Organisations, does not exceeds Rs. one crore, 2019)

Group A	Group B
1) Amount of compensation in District Commission	A. _____
2) _____	B. State Commission
3) Consumer Protection Act.	C. _____
4) _____	D. non-profit and non Political organisation
5) Member National Commission	E. _____

SOLUTION

Group A	Group B
1) Amount of compensation in District Commission	A. <u>Does not exceed Rs. one crore</u>
2) <u>High court Judge</u>	B. State Commission
3) Consumer Protection Act.	C. <u>2019</u>
4) <u>Consumer Organizations</u>	D. non-profit and non Political organization
5) Member National Commission	E. <u>5.4</u>

Exercise 1 | Q 8.1 | Page 148**Answer in one sentence.**

When do we observe a National Consumer's Day?

SOLUTION

24th December is observed as 'National Consumer Day

Exercise 1 | Q 8.2 | Page 148**Answer in one sentence.**

Who is the consumer?

SOLUTION

A Consumer means any person who buys any goods, hires any service or services for a consideration which has been paid or promised or partly paid or partly promised or under any system of deferred payments.

Exercise 1 | Q 8.3 | Page 148**Answer in one sentence.**

What information one should check before buying a product?

SOLUTION

Adequate information about all aspects of goods and services like price, name of the manufacturer, contents used, batch number if any, date of manufacture and expiry date, user manual and safety instruction, etc. Should be checked before buying a product.

Exercise 1 | Q 8.4 | Page 148**Answer in one sentence.**

Which forum is set up at the national level for redressal for consumer complaints?

SOLUTION

National Consumer Disputes Redressal Commission is the forum set up at the national level for redressal of consumer complaints.

Exercise 1 | Q 8.5 | Page 148

Answer in one sentence.

Who shall be appointed as president of National Commission?

SOLUTION

A person, who is or has been a Judge of the Supreme Court, shall be appointed by the Central Government as the president of the National Commission in consultation with Chief Justice of India.

Exercise 1 | Q 8.6 | Page 148

Answer in one sentence.

When do we observe World Consumer's Rights Day?

SOLUTION

15th March 1962 is observed as World Consumer's Right Day.

Exercise 1 | Q 9.1 | Page 148

Arrange in proper order.

National Commission, District Commission, State Commission.

SOLUTION

District Commission, State Commission, National Commission.

Exercise 1 | Q 9.2 | Page 148

Arrange in proper order.

District Judge, Supreme Court Judge, High Court Judge.

SOLUTION

District Judge, High Court Judge, Supreme Court Judge.

Exercise 1 | Q 10.1 | Page 148

Correct the underlined word and rewrite the following sentence

An appeal can be filed against the order of the National Commission to the State forum.

SOLUTION

An appeal can be filed against the order of the National Commission to the Supreme Court.

Exercise 1 | Q 10.2 | Page 148

Correct the underlined word and rewrite the following sentence

National Commission is established by the State Government.

SOLUTION

An appeal can be filed against the order of the National Commission to the central government.

Exercise 1 | Q 10.3 | Page 148

Correct the underlined word and rewrite the following sentence

District Commission is also referred to as People's Court.

SOLUTION

An appeal can be filed against the order of the National Commission to the Lok Adalat.

Exercise 1 | Q 10.4 | Page 148

Correct the underlined word and rewrite the following sentence

In India, sellers are widely dispersed and are not united.

SOLUTION

An appeal can be filed against the order of the National Commission to the Consumer.

Exercise 1 | Q 10.5 | Page 148

Correct the underlined word and rewrite the following sentence.

National Commission entertains complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.

SOLUTION

An appeal can be filed against the order of the National Commission to the District Commission.

EXERCISE 2 [PAGE 149]

Exercise 2 | Q 1 | Page 149

Explain the following term/concept.

District Commission.

SOLUTION

A consumer dispute redressal commission at each district established by the State
The government is known as District Commission.

Territorial Jurisdiction - Territorial Jurisdiction of district commission is the entire district in which it is established.

Monetary Jurisdiction - District Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.

Exercise 2 | Q 2 | Page 149

Explain the following term/concept.

National Commission.

SOLUTION

A consumer dispute redressal forum at the National level established by the Central Government by notification is known as the National Commission. It is also called as the National Consumer Disputes Redressal Commission.

Territorial Jurisdiction - It can entertain original cases as well as appeals against the order of State Commission which is within the geographical limits of the state.

Monetary Jurisdiction - to entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crores.

Exercise 2 | Q 3 | Page 149

Explain the following term/concept.

State Commission.

SOLUTION

A consumer dispute redressal commission at the state level established by the State Government is known as State Commission. It is also called as State Consumer Disputes Redressal Commission.

Territorial Jurisdiction - It can entertain original cases as well as appeals against the order of District Commission is within the geographical limits of the state.

Monetary Jurisdiction - to entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crores.

Exercise 2 | Q 4 | Page 149

Explain the following term/concept.

Lok Adalat.

SOLUTION

Lok Adalat is an effective and economical system for quick redressal of the public grievances. It can also be referred to as 'People's Court'. It is established by the government to settle disputes by compromise. The aggrieved party can directly approach Adalat with a grievance, and issues are discussed on the spot, and decisions are taken immediately. Resolution of disputes by Lok Adalat gets statutory recognition. e.g. MSEDCL, MSRTC, Railway Authority, Insurance Companies, Banks etc. organize regular Lok Adalat.

Exercise 2 | Q 5 | Page 149

Explain the following term/concept.

Janhit Yachika

SOLUTION

Janhit Yachika is also known as Public Interest Litigation. Public Interest Litigation means a legal action initiated in a court of law regarding a matter of general public interest. It is a legal facility under which any person can approach the court of law in the interest of society. Its aim is to provide a legal remedy to unrepresented groups of society. The party which is not related to grievance can also file public interest litigation. It is filed in the High Court as well as Supreme Court directly in some cases.

EXERCISE 3 [PAGE 149]

Exercise 3 | Q 1 | Page 149

Study the following case/situation and express your opinion.

Mr. Ashok visited a shop to buy a pair of shoes for RS. 700. The salesman forced him to buy a pair of bigger size shoes of the ordinary company by claiming this size would be suitable for him. After reaching home, he discovered that shoes are still too big for him. He complained about the shoes to the shopkeeper. It was denied by the shopkeeper to replace the shoes despite the availability of stock.

In the above case,

- i) Which right has been violated?
- ii) Comment on the right which has been violated.
- iii) Where can Mr. Ashok file his complaint?

SOLUTION

- i. In the above case, the Right to Choose has been violated.
- ii. In India, the choices are available to consumers to select goods and different services like telecommunications, travel and tourism, banking, electronics, consumer goods, etc. According to the right to choose, a consumer should be given full liberty to select an article as per his requirements, liking, and purchasing capacity. The seller cannot force or compel the customer to buy specific products or services in this manner monopoly is avoided and prevented.
- iii. According to the Right to be Heard, Mr. Ashok can lodge a complaint to the consumer forum. Mr. Ashok can also file an online complaint through the portal or mobile applications to the trader as well as to the appropriate consumer commission or forum.

Exercise 3 | Q 2 | Page 149

Study the following case/situation and express your opinion.

Mrs. Meera a resident of Nagpur District bought a washing machine worth Rs. 50,000 without cash memo with a warranty period of 2 years. After 1.5 years she noticed some defect and asked the company to repair or replace it. The company did not accept her complaint despite the defective product.

In the above case,

- i) Suggest suitable redressal machinery to protect her right.
- ii) If she is not satisfied with the decision given by redressal machinery, where should she appeal?
- iii) What was the negligence of Mrs. Meera while buying the washing machine?

SOLUTION

- i. According to Right to Redressal, Mrs. Meera should file a complaint about the fair settlement of the claim. This right enables Mrs. Meera to demand repair or replacement or compensation for defective products i.e., in the above case washing machine supplied. Three-tier quasi-judicial consumer dispute redressal machinery is established for the settlement of the claim. Mrs. Meera can file a complaint in the District Commission established in her district as the value of machinery does not exceed 1 crore.
- ii. If Mrs. Meera is not satisfied with the order or judgment was given by District Commission, then she can appeal against such order to State Commission within 45 days from the date of such order, in such form and manner as may be prescribed.
- iii. Mrs. Meera did not collect or ask for a cash memo and guarantee/warranty card for a period of 2 years as soon as she purchased the washing machine worth 50,000.

EXERCISE 4 [PAGE 149]

Exercise 4 | Q 1 | Page 149

Distinguish between.

District Commission and State Commission.

SOLUTION

District Commission	State Commission
1. Meaning: A consumer dispute redressal forum at the district level established by the	A consumer dispute redressal forum at the State level established by the State

State Government is known as District Commission.	Government is known as State Commission.
2. President: A person who is sitting or retired or qualified to be District Judge.	A person who is sitting or retired or Judge of High Court shall be appointed by the State Government as the President of the State Commission.
3. Member: Not less than two and not more than such number of members as may be prescribed, in consultation with the Central Government	Not less than four or not more than a such number of members as may be prescribed in consultation with the Central Government.
4. Membership Tenure: The members can have the membership for a term of five years or up to the age of sixty five years, whichever is earlier.	The members can have the membership for a term of five years or up to the age of sixty seven, whichever is earlier.
5. Area covered It covers a particular district	It covers a particular state
6. Monetary Jurisdiction: To entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.	To entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crores.
7. Appeal: An appeal against the District Commission can be made to the State Commission.	An appeal against the State Commission can be made to the National Commission.

Exercise 4 | Q 2 | Page 149

Distinguish between.

State Commission and National Commission.

SOLUTION

State Commission	National Commission
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1. Meaning: A consumer dispute redressal forum at the State level established by the State Government is known as State Commission.	A consumer dispute redressal forum at the National level established by the Central Government by notification is known as National Commission.
2. President: A person who is sitting or retired or Judge of High Court shall be appointed by the State Government as the President of the State Commission.	A person who is or has been a judge of the Supreme Court shall be appointed by the Central Government by notification is known as National Commission
3. Member: Not less than four or not more than a such number of members as may be prescribed in consultation with the Central Government.	Not less than four and not more than a such number of members as may be prescribed.
4. Membership Tenure: The members can have the membership for a term of five years or up to the age sixty-seven, whichever is earlier.	The members can have the membership for a term of five years or up to the age of sixty-seven years and president up to seventy years, whichever is earlier.
5. Area covered It covers a particular state	It covers the entire country
6. Monetary Jurisdiction: To entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crores.	To entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crores.
7. Appeal: An appeal against the State Commission can be made to the National Commission	An appeal against the National Commission can be made to the Supreme Court.

Exercise 4 | Q 3 | Page 149

Distinguish between.

District Commission and National Commission

SOLUTION

District Commission	National Commission
1. Meaning: A consumer dispute redressal forum at the district level established by the State Government is known as District Commission.	A consumer dispute redressal forum at the National level established by the Central Government by notification is known as National Commission.
2. President: A person who is sitting or retired or qualified to be District Judge.	A person who is or has been a judge of the Supreme Court shall be appointed by the Central Government by notification is known as National Commission
3. Member: Not less than two and not more than such number of members as may be prescribed, in consultation with the Central Government	Not less than four and not more than a such number of members as may be prescribed.
4. Membership Tenure: The members can have the membership for a term of five years or up to the age of sixty five years, whichever is earlier.	The members can have the membership for a term of five years or up to the age of sixty-seven years and president up to seventy years, whichever is earlier.
5. Area covered It covers a particular district	It covers the entire country
6. Monetary Jurisdiction: To entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.	6. Monetary Jurisdiction: To entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crores.
7. Appeal: An appeal against the District Commission can be made to the State Commission.	An appeal against the National Commission can be made to the Supreme Court.

EXERCISE 5 [PAGE 149]

Exercise 5 | Q 1 | Page 149

Answer in brief.

Explain any four needs of consumer protection.

SOLUTION

In the modern competitive market, the consumer is regarded as the 'King of Market' hence consumer protection is required due to the following reasons:

1. **The need for participation of consumers:**

It is noted that business organizations make decisions that affect consumers' interest without consulting the consumer or their organizations.

Only a strong consumer organization can pressurize business organizations to allow consumer participation in the decision-making process.

2. **Lack of information:**

It is very difficult to establish direct contact between consumers and manufacturers because consumers live in a dynamic and complex world and they are widely scattered. Today's markets are full of domestic as well as imported products therefore it is very difficult to get correct and reliable information about the product before they purchase.

3. **Ignorance:**

The ignorance of consumers is the main cause of exploitation by the business. Consumers in India are mostly ignorant about their rights, market conditions, price levels, and product details. A system is required to protect them from business malpractices.

4. **Unorganized Consumers:**

Consumers are widely scattered and are not organized, On the other hand, sellers are in a better position than consumers and they are powerful. Consumers are under the influence of businessmen. An individual consumer cannot fight against these powerful sellers.

5. **Spurious Goods:**

There is an increasing supply of duplicate products. It is not possible for an ordinary consumer to distinguish between a genuine product and its imitation. It is necessary to protect consumers from such exploitation by ensuring compliance with prescribed norms of quality and safety standards.

6. **Misleading Advertising:**

Some businessmen give misleading information about the quality, safety, and utility of products. Consumers are misled by misleading advertisements and do not know the real quality of advertised goods. A mechanism is needed to prevent misleading advertisements.

7. Malpractices of Businessmen:

Fraudulent, unethical, and monopolistic trade practices by businessmen lead to the exploitation of consumers. Many times consumers get defective, inferior, and substandard goods and services. Certain measures are required to protect consumers against such malpractices.

8. Trusteeship:

According to Gandhi, philosophy businessmen are trustees of the society's wealth. Therefore, they should use this wealth for the benefit of people.

Exercise 5 | Q 2 | Page 149

Answer in brief.

State any four rights of the consumer.

SOLUTION

Some of the rights of consumers are as follows:

1. Right to Safety:

This right protects consumers against products, production processes, and services which are hazardous to health or life. It includes concern for consumer's long-term interests as well as their immediate requirements. According to this right, the consumer must get full safety and protection to his life and health.

2. Right to Information:

According to this right, a consumer should be provided with adequate information about all aspects of goods and services like price, name of the manufacturer, contents used, batch number if any, date of manufacture and expiry date, user manual, and safety instruction, etc. This right also enables the consumer to select the right product or service.

3. Right to Choose:

According to this right, a consumer should be given full freedom to select an article as per his requirement, liking, and purchasing capacity. The right to choose is related to the concept of a free-market economy. As per this right, the seller cannot compel the consumer to buy a particular product and hence monopoly is prevented.

4. Right to be heard:

Every business organization should listen and solve the complaints of consumers. According to this right, consumers have the opportunity to voice their complaints to the consumer forum. Consumers also give suggestions to manufacturers or traders on certain matters such as quality, quantity, price, packaging, etc. Nowadays, consumers can file online complaints through the portal or mobile applications.

5. Right to Consumer Education:

Every consumer has the right to know about consumer rights and solutions to their problems. This right creates consumer awareness. An aware consumer can make a rational choice of goods and services and protect his rights and interests from the exploitation of unscrupulous businessmen. Thus, consumer education becomes a priority concern.

6. Right to Represent:

The act provides an opportunity for individuals and consumer groups to represent consumer's interests before the consumer forum. The act allows the consumer to be represented by a person who is not a professional advocate. This provision is in recognition of the consumer's right to represent.

7. Right to Redress:

This right enables the consumer to demand repair or replacement or compensation for defective products and for poor services. According to the consumer protection Act, three-tier quasi-judicial consumer dispute redressal machinery is established for the settlement of claims such as the District Commission at the District level, State Commission at the state level, and National Commission at the national level. Consumers are protected from business malpractices.

8. Right to Healthy Environment:

All consumers have a right to a healthy and clean environment. According to this right, the consumer can demand actions against the pollution causing business organizations. All consumers have the right to a healthy and clean environment in the present and future.

9. Right to Protect from unfair business practices:

As per this right, all consumers are protected against unfair business practices such as black marketing, profiteering, faulty weights and measures, exorbitant prices, adulteration, etc.

10. Right against spurious goods:

This right is against the marketing of goods which are hazardous to health, spurious, and pose a danger to life itself.

Exercise 5 | Q 3 | Page 149

Answer in brief.

Explain any four responsibilities of the consumer.

SOLUTION

Consumers should exercise their rights and responsibilities while purchasing products or services. These are as follows:

1. **The consumer should use his rights:**
Consumers have many rights with regard to the goods and services. They must be aware of their rights while buying.
2. **Cautious consumer:**
The consumers should understand their responsibilities while buying goods and services. While buying, the consumer should enquire about the quality, quantity, price, utility of goods and services, etc.
3. **Filing of complaint:**
It is the responsibility of a consumer to approach the officer concerned if consumers have some complaints about the goods and services. A delay in the complaint may result in the expiry of guarantee or warranty.
4. **Quality conscious:**
The consumers should never compromise on the quality of goods. They should not buy inferior stuff out of greed for less prices. If consumers behave like this, there cannot be any protection for them from any sector. It is also the responsibility of consumers to buy quality goods. The symbols such as ISI, AGMARK, Hallmark, FPO, FASSI, etc. are indicative of the good quality of the goods.
5. **Beware from exaggerating advertisement:**
The seller informs the consumer about their goods and services through advertisement. Usually, the sellers exaggerate the quality of their goods in advertisements. Therefore, it is the responsibility of the consumers to identify the truth of advertisement.
6. **The demand for Invoice and Guarantee, Warrantee Card:**
Consumers should always ask for an invoice for the goods purchased. It is the responsibility of the consumer to check the details mentioned on the guarantee or warranty card. If the goods purchased are of inferior quality, these documents are useful to settle all kinds of disputes with the seller.
7. **Pre-planned buying:**
The important responsibility of consumers is that they should not buy in hurry. It means that the consumers should make an estimate of the goods they want to buy along with their quantity required. They should also take into consideration the place where to buy things.
8. **Organized Efforts:**
Consumers should undertake responsibility for the protection of their rights and safeguarding their interests. Consumers can work for and support consumer protection associations for consumer welfare.

EXERCISE 6 [PAGE 149]

Exercise 6 | Q 1 | Page 149

Justify the following statement.

The Consumer Protection Act was passed in the interest of consumers.

SOLUTION

The Consumer Protection Act came into force from 1986. Thereafter the Ministry of Law and Justice proposed a new act in 2019. The Act has for the first time recognized six rights of the consumer

1. The right to be protected against the marketing of hazardous goods.
2. The right to be informed about the price and features of goods.
3. The right to make a choice out of a variety of goods.
4. The right to make a complaint against unsatisfactory goods.
5. The right to seek redressal against unfair trade practices.
6. The right to consumer education. All the above rights are in the interest of the consumer and not the seller.
7. The Act has made provision for the establishment of Consumer Protection Councils at the central and state levels for promoting and protecting these rights.
8. The Act has created quasi-judicial machinery consisting of the District Commission, State Commission, and National Commission to entertain complaints and to give fair justice to the aggrieved consumers.
9. The Act prescribes punishment of imprisonment not less than one month which may extend to 3 years and a fine which shall not be less than Rs. 25,000 which may extend to Rs. 1 lakh or with both for the guilty person.
10. The strict enforcement of these rights creates competition among the sellers. Consequently, consumers get quality goods at fair prices. The government has also adopted various measures for creating public awareness about the rights of consumers. Various programs are shown on television channels as well as programs are broadcasted by All India to educate consumers.

Exercise 6 | Q 2 | Page 149

Justify the following statement.

Consumers have many responsibilities.

SOLUTION

Consumers have many responsibilities such as

1. Consumers should use their rights:

Consumers have many rights with regard to goods and services. They must be aware of their rights while buying.

2. Cautious consumer:

Consumers should understand their responsibilities while buying goods and services. While buying, the consumer should enquire about the quality, quantity, price, utility of goods and services, etc.

3. Filing of complaint:

It is the responsibility of a consumer to approach the officer concerned if consumers have some complaints about the goods and services.

4. Consumers must be quality conscious:

The consumers should never compromise on the quality of goods. They should not buy inferior stuff out of greed for less prices. If consumers behave like this, there cannot be any protection for them from any sector.

5. Beware from exaggerating advertisement:

The seller informs the consumer about their goods and services through advertisement.

6. The demand for Receipt and Guarantee/ warranty card:

Consumers should always ask for an invoice for the goods purchased.

7. Pre-Plan for buying:

The important responsibility of consumers is that they should not buy in hurry.

8. Organized efforts:

Consumers should undertake responsibility for the protection of their rights and safeguarding their interests.

Exercise 6 | Q 3 | Page 149

Justify the following statement.

The aim of the consumer organization is to protect the rights of the consumer.

SOLUTION

The role of Non-Government Organisations (NGOs) in consumer protection is explained as follows:

1. NGO organise campaigns and various programmes on consumer issues to create social awareness.
2. They initiate and organise training programmes for the consumers and make them aware and conscious of their rights and various modes of redressal of their grievances.
3. They publish journals and periodicals at regular interval to make the consumers understand and keep them informed about various consumer-related developments.
4. They provide legal advice free of charge to the members on the matters of consumer interest and help them to put up grievances before the appropriate authority.
5. NGOs active members interact (communicate) with the businessmen and Chambers of Commerce and Industry for ensuring a better deal for the consumers.
6. They file Public Interest Litigation (Janhit Yachika) on important consumer issues like ban on a product or medicine injurious to public health. They also file cases in the court of law to safeguard the rights and protect the interest of the general public.
7. Few examples of NGOs working for the consumers are Consumer Guidance Society of India (CGSI), Voluntary Organisation in Interest of Consumer Education (VOICE), Consumer Education and Research Centre (CERC), Consumers Association of India (CAI), Mumbai Grahak Panchayat (MGP), Grahak Shakti (GS), etc.

EXERCISE 7 [PAGE 150]

Exercise 7 | Q 1 | Page 150

Answer in brief.

State any four rights of the consumer.

SOLUTION

Some of the rights of consumers are as follows:

1. **Right to Safety:**
This right protects consumers against products, production processes, and services which are hazardous to health or life. It includes concern for consumer's

long-term interests as well as their immediate requirements. According to this right, the consumer must get full safety and protection to his life and health.

2. Right to Information:

According to this right, a consumer should be provided with adequate information about all aspects of goods and services like price, name of the manufacturer, contents used, batch number if any, date of manufacture and expiry date, user manual, and safety instruction, etc. This right also enables the consumer to select the right product or service.

3. Right to Choose:

According to this right, a consumer should be given full freedom to select an article as per his requirement, liking, and purchasing capacity. The right to choose is related to the concept of a free-market economy. As per this right, the seller can not compel the consumer to buy a particular product and hence monopoly is prevented.

4. Right to be heard:

Every business organization should listen and solve the complaints of consumers. According to this right, consumers have the opportunity to voice their complaints to the consumer forum. Consumers also give suggestions to manufacturers or traders on certain matters such as quality, quantity, price, packaging, etc. Nowadays, consumers can file online complaints through the portal or mobile applications.

5. Right to Consumer Education:

Every consumer has the right to know about consumer rights and solutions to their problems. This right creates consumer awareness. An aware consumer can make a rational choice of goods and services and protect his rights and interests from the exploitation of unscrupulous businessmen. Thus, consumer education becomes a priority concern.

6. Right to Represent:

The act provides an opportunity for individuals and consumer groups to represent consumer's interests before the consumer forum. The act allows the consumer to be represented by a person who is not a professional advocate. This provision is in recognition of the consumer's right to represent.

7. Right to Redress:

This right enables the consumer to demand repair or replacement or compensation for defective products and for poor services. According to the consumer protection Act, three-tier quasi-judicial consumer dispute redressal machinery is established for the settlement of claims such as the District Commission at the District level, State Commission at the state level, and National Commission at the national level. Consumers are protected from business malpractices.

8. Right to Healthy Environment:

All consumers have a right to a healthy and clean environment.

According to this right, the consumer can demand actions against the pollution causing business organizations. All consumers have the right to a healthy and clean environment in the present and future.

9. Right to Protect from unfair business practices:

As per this right, all consumers are protected against unfair business practices such as black marketing, profiteering, faulty weights and measures, exorbitant prices, adulteration, etc.

10. Right against spurious goods:

This right is against the marketing of goods which are hazardous to health, spurious, and pose a danger to life itself.

Exercise 7 | Q 2 | Page 150

Answer in brief.

Explain any four responsibilities of the consumer.

SOLUTION

Consumers should exercise their rights and responsibilities while purchasing products or services. These are as follows:

1. The consumer should use his rights:

Consumers have many rights with regard to the goods and services. They must be aware of their rights while buying.

2. Cautious consumer:

The consumers should understand their responsibilities while buying goods and services. While buying, the consumer should enquire about the quality, quantity, price, utility of goods and services, etc.

3. Filing of complaint:

It is the responsibility of a consumer to approach the officer concerned if consumers have some complaints about the goods and services. A delay in the complaint may result in the expiry of guarantee or warranty.

4. Quality conscious:

The consumers should never compromise on the quality of goods. They should not buy inferior stuff out of greed for less prices. If consumers behave like this, there cannot be any protection for them from any sector. It is also the responsibility of consumers to buy quality goods. The symbols such as ISI, AGMARK, Hallmark, FPO, FASSI, etc. are indicative of the good quality of the goods.

5. **Beware from exaggerating advertisement:**

The seller informs the consumer about their goods and services through advertisement. Usually, the sellers exaggerate the quality of their goods in advertisements. Therefore, it is the responsibility of the consumers to identify the truth of advertisement.

6. **The demand for Invoice and Guarantee, Warrantee Card:**

Consumers should always ask for an invoice for the goods purchased. It is the responsibility of the consumer to check the details mentioned on the guarantee or warranty card. If the goods purchased are of inferior quality, these documents are useful to settle all kinds of disputes with the seller.

7. **Pre-planned buying:**

The important responsibility of consumers is that they should not buy in hurry. It means that the consumers should make an estimate of the goods they want to buy along with their quantity required. They should also take into consideration the place where to buy things.

8. **Organized Efforts:**

Consumers should undertake responsibility for the protection of their rights and safeguarding their interests. Consumers can work for and support consumer protection associations for consumer welfare.

Exercise 7 | Q 3 | Page 150

Answer in brief.

Explain any four needs of consumer protection.

SOLUTION

In the modern competitive market, the consumer is regarded as the 'King of Market' hence consumer protection is required due to the following reasons:

1. **The need for participation of consumers:**

It is noted that business organizations make decisions that affect consumers' interest without consulting the consumer or their organizations.

Only a strong consumer organization can pressurize business organizations to allow consumer participation in the decision-making process.

2. **Lack of information:**

It is very difficult to establish direct contact between consumers and manufacturers because consumers live in a dynamic and complex world and they are widely scattered. Today's markets are full of domestic as well as imported products therefore it is very difficult to get correct and reliable information about the product before they purchase.

3. **Ignorance:**

The ignorance of consumers is the main cause of exploitation by the business. Consumers in India are mostly ignorant about their rights, market conditions, price levels, and product details. A system is required to protect them from business malpractices.

4. **Unorganized Consumers:**

Consumers are widely scattered and are not organized, On the other hand, sellers are in a better position than consumers and they are powerful. Consumers are under the influence of businessmen. An individual consumer cannot fight against these powerful sellers.

5. **Spurious Goods:**

There is an increasing supply of duplicate products. It is not possible for an ordinary consumer to distinguish between a genuine product and its imitation. It is necessary to protect consumers from such exploitation by ensuring compliance with prescribed norms of quality and safety standards.

6. **Misleading Advertising:**

Some businessmen give misleading information about the quality, safety, and utility of products. Consumers are misled by misleading advertisements and do not know the real quality of advertised goods. A mechanism is needed to prevent misleading advertisements.

7. **Malpractices of Businessmen:**

Fraudulent, unethical, and monopolistic trade practices by businessmen lead to the exploitation of consumers. Many times consumers get defective, inferior, and substandard goods and services. Certain measures are required to protect consumers against such malpractices.

8. **Trusteeship:**

According to Gandhi, philosophy businessmen are trustees of the society's wealth. Therefore, they should use this wealth for the benefit of people.

Exercise 7 | Q 4 | Page 150

Attempt the following.

State the role of NGOs and consumer protection.

SOLUTION

The main aim of these NGOs is to study the trend of prices in the market and publish them for the information of consumers and to agitate against the malpractices of traders. Role of Consumer organizations & NGOs in Consumer protection and Education:

1. To organize campaigns and various programs on consumer issues to create social awareness.
2. To organize training programs for the consumers and make them conscious of their rights and modes of redressal of their grievances.
3. To publish periodicals to enlighten the consumers about various consumer-related developments.
4. To provide free legal advice to members on matters of consumer interest and help them to take up grievances.
5. To interact with businessmen and Chambers of Commerce and Industry for ensuring a better deal for consumers.
6. To file Public Interest Litigation on important consumer issues, such as a ban on a product injurious to public health.

Exercise 7 | Q 5 | Page 150

Attempt the following.

State the composition and monetary jurisdiction of the District Forum.

SOLUTION

District Commission:

Meaning -

A consumer dispute redressal commission at each district established by the State. The government is known as District Commission.

Composition - Each District commission shall consist of the following.

1. **President:**
A person who is sitting or retired or qualified to be a District Judge.
2. **Member:**
Not less than two and not more than a such number of members as may be prescribed, in consultation with the Central Government.
3. **Tenure:**
Any person appointed as President or a member of the District Commission shall hold office as such as President or as a member till the completion of his term for which he has been appointed. The members will hold office for a term of five years or up to the age of sixty-five years, whichever is earlier.

4. **Monetary Jurisdiction** - District Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.

Exercise 7 | Q 6 | Page 150

Attempt the following.

State the composition and monetary jurisdiction of the state commission.

SOLUTION

State Commission:

Meaning:

A consumer dispute redressal commission at the state level established by the State Government is known as State Commission. It is also called as State Consumer Disputes Redressal Commission.

Composition - Each State Commission shall consist of

1. **President:** A person who is sitting or retired Judge of High Court, shall be appointed by the State Government as the president of State Commission in consultation with the Chief Justice of High Court.
2. **Member:** Not less than four or not more than a such number of members as may be prescribed in consultation with the Central Government.
3. **Tenure:** The members will hold office for a term of five years or up to the age of sixty-seven years, whichever is earlier.
4. **Monetary Jurisdiction:** To entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crores.

Exercise 7 | Q 7 | Page 150

Attempt the following.

State the composition and monetary jurisdiction of the national commission.

SOLUTION

National Commission

Meaning:

A consumer dispute redressal forum at the National level established by the Central Government by notification is known as the National Commission. It is also called the National Consumer Disputes Redressal Commission.

Composition - National Commission shall consist of

1. **President:**

A person, who is or has been a Judge of the Supreme Court, shall be appointed by the Central Government as the president of the National Commission in consultation with Chief Justice of India.

2. **Member:**

Not less than four and not more than a such number of members as may be prescribed.

3. **Tenure:**

The members will hold office for a term of five years or up to the age prescribed, whichever is earlier.

Monetary Jurisdiction - to entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crores.

EXERCISE 8 [PAGE 150]

Exercise 8 | Q 1.1 | Page 150

Answer the following.

Who is the consumer?

SOLUTION

The word 'Consumer' is derived from the Latin word 'Consumer' which means, to eat or to drink. The consumer is the one who consumes or uses any commodity or service available from natural resources or through a market.

A Consumer means any person who buys any goods, hires any service or services for a consideration which has been paid or promised or partly paid or partly promised or under any system of deferred payments.

Exercise 8 | Q 1.2 | Page 150

Answer in brief.

State any four rights of the consumer.

SOLUTION

Some of the rights of consumers are as follows:

1. **Right to Safety:**

This right protects consumers against products, production processes, and services which are hazardous to health or life. It includes concern for consumer's long-term interests as well as their immediate requirements. According to this right, the consumer must get full safety and protection to his life and health.

2. **Right to Information:**

According to this right, a consumer should be provided with adequate information

about all aspects of goods and services like price, name of the manufacturer, contents used, batch number if any, date of manufacture and expiry date, user manual, and safety instruction, etc. This right also enables the consumer to select the right product or service.

3. Right to Choose:

According to this right, a consumer should be given full freedom to select an article as per his requirement, liking, and purchasing capacity. The right to choose is related to the concept of a free-market economy. As per this right, the seller can not compel the consumer to buy a particular product and hence monopoly is prevented.

4. Right to be heard:

Every business organization should listen and solve the complaints of consumers. According to this right, consumers have the opportunity to voice their complaints to the consumer forum. Consumers also give suggestions to manufacturers or traders on certain matters such as quality, quantity, price, packaging, etc. Nowadays, consumers can file online complaints through the portal or mobile applications.

5. Right to Consumer Education:

Every consumer has the right to know about consumer rights and solutions to their problems. This right creates consumer awareness. An aware consumer can make a rational choice of goods and services and protect his rights and interests from the exploitation of unscrupulous businessmen. Thus, consumer education becomes a priority concern.

6. Right to Represent:

The act provides an opportunity for individuals and consumer groups to represent consumer's interests before the consumer forum. The act allows the consumer to be represented by a person who is not a professional advocate. This provision is in recognition of the consumer's right to represent.

7. Right to Redress:

This right enables the consumer to demand repair or replacement or compensation for defective products and for poor services. According to the consumer protection Act, three-tier quasi-judicial consumer dispute redressal machinery is established for the settlement of claims such as the District Commission at the District level, State Commission at the state level, and National Commission at the national level. Consumers are protected from business malpractices.

8. Right to Healthy Environment:

All consumers have a right to a healthy and clean environment. According to this right, the consumer can demand actions against the pollution causing business organizations. All consumers have the right to a healthy and

clean environment in the present and future.

9. Right to Protect from unfair business practices:

As per this right, all consumers are protected against unfair business practices such as black marketing, profiteering, faulty weights and measures, exorbitant prices, adulteration, etc.

10. Right against spurious goods:

This right is against the marketing of goods which are hazardous to health, spurious, and pose a danger to life itself.

Exercise 8 | Q 2 | Page 150

Answer the following.

Explain the ways and means of Consumer Protection.

SOLUTION

The prevailing judiciary system is not sufficient enough to protect consumers, therefore, there are various ways and means of consumer protection. They are as follows.

1. Lok Adalat:

Lok Adalat is an effective and economical system for quick redressal of the public grievances. It can also be referred to as 'People's Court'. It is established by the government to settle disputes by compromise. The aggrieved party can directly approach the Adalat with a grievance, and issues are discussed on the spot, and decisions are taken immediately. Resolution of disputes by Lok Adalat gets statutory recognition. e.g. MSEDCL, MSRTC.

2. Public Interest Litigation (Janahit Yachika):

Public Interest Litigation means a legal action initiated in a court of law regarding a matter of general public interest. It is a legal facility under which any person can approach the court of law in the interest of society. Its aim is to provide a legal remedy to unrepresented groups of society. The party which is not related to grievance can also file public interest litigation. It is filed in the High Court as well as Supreme Court directly in some cases.

3. Redressal Forums:

Under the Consumer Protection Act, 2019, a system has been set up to deal with the consumer grievances and disputes at the district, state, and national levels. Any individual consumer or association of consumers can file a complaint with

respective commission depending on the value of goods and claim for compensation. The main aim of these commissions is to provide for simple, speedy, and inexpensive redressal of consumer's grievances.

4. Awareness Programme:

To increase the level of awareness among the consumers the Government of India has initiated various publicity measures. State and Central Government regularly publishes journals, brochures, booklets, and various posters depicting the rights and responsibilities of consumers, redressal machinery, etc. Several audio-video programs on consumer awareness are broadcasted on various channels and through social media.

5. Consumer Organizations:

Consumer Organizations have been active in India to promote and protect consumer interests. The consumer movement is well settled in India and helping individuals to seek quick and adequate redressal of their grievances. It is necessary to strengthen consumer movement throughout the country.

6. Consumer Welfare Fund (CWF):

Department of Consumer Affairs has created a consumer Welfare Fund for providing financial assistance to strengthen the voluntary consumer movement, particularly in rural areas. This fund is used for training and research in consumer education, complaint handling, counseling and guidance mechanisms, product testing labs, and so on.

7. Legislative Measures:

A number of laws have been enacted in India to safeguard the interest of consumers and protect them from unethical practices of a businessman. Some of these laws are as follows:

- Sale of Goods Act, 1930
- Essential Commodities Act, 1955
- Standard of Weights and Measures Act, 1956

There are a number of laws to safeguard the interests of consumers, but these acts could not provide complete and fair justice to consumers. Therefore, an

exclusive Act has been advocated in the form of the Consumer Protection Act, 2019.

Exercise 8 | Q 3 | Page 150

Answer the following.

Explain the three-tier quasi-judicial machinery under the Act.

SOLUTION

The three-tier quasi-judicial machinery as follows:

1. **District Commission:**

Meaning:

A consumer dispute redressal commission at each district established by the State. The government is known as District Commission.

Territorial Jurisdiction -

Territorial Jurisdiction of district commission is the entire district in which it is established.

Monetary Jurisdiction -

District Commission shall have jurisdiction to entertain complaints where the value of the goods or services paid as consideration does not exceed Rs. one crore.

Appeal -

Any person aggrieved by an order made by the District Commission may prefer an appeal against such order to the State Commission within a period of forty-five days from the date of the order, in such form and manner, as may be prescribed.

2. **State Commission:**

Meaning:

A consumer dispute redressal commission at the state level established by the State.

The government is known as State Commission. It is also called as State Consumer Disputes Redressal Commission.

Territorial Jurisdiction -

It can entertain original cases as well as appeals against the order of District Commission is within the geographical limits of the state.

Monetary Jurisdiction -

To entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crores.

Appeal -

Any person aggrieved by an order made by the State Commission may prefer an appeal against such order to the National Commission within a period of thirty days from the date of the order in such form and manner as may be prescribed.

3. National Commission:

Meaning:

A consumer dispute redressal forum at the National level established by the Central Government by notification is known as the National Commission. It is also called as the National Consumer Disputes Redressal Commission.

Territorial Jurisdiction -

It can entertain original cases as well as appeals against the order of State. The commission is within the geographical limits of the state.

Monetary Jurisdiction -

To entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crores.

Appeal -

Any person, aggrieved by an order made by the National Commission may prefer an appeal against such order to the Supreme Court within a period of thirty days from the date of the order.