

TEXTBOOK EXERCISES

Q.1. Why are rules and regulations required in the market place ? Illustrate with a few examples.

Ans. Rules and regulations are required in the market place due to the following reasons :

(i) The consumers are exploited by the shopkeepers and traders in different ways such as less weight or measurement, more price, adulterated and defective goods.

(ii) In case of a complaint regarding a good or service, the shopkeeper or trader tries to avoid any responsibility. The seller tries to shift all the responsibility onto the buyer as if the seller has no responsibility once a sale is completed.

(iii) Sometimes producers are few and powerful while the consumers purchase in small amounts and are scattered. Big companies with huge wealth manipulate the market in many cases.

(iv) At times false information is given to attract consumers. In case a consumer files a case in the court, it takes years to get it settled.

Q.2. What factors gave birth to the consumer movement in India ? Trace its evolution.

Ans. (a) The following factors gave birth to the consumer movement in India :

(i) There was dissatisfaction of the consumers as many sellers indulged in various unfair practices such as less weight and measurement, more prices and defective goods.

(ii) There was no legal system or law available to consumers to protect themselves from unethical and unfair trade practices and exploitation by the sellers.

(iii) In case of any defective product or deficiency of services, it was considered to be the responsibility of the consumer to be careful while buying a commodity or service.

(iv) Rampant food shortages, hoardings, black-marketing, adulteration of food and edible oil were also responsible for the rise of consumer movement in an organised form in the 1960s.

(b) The evolution of the consumer movement took place as given below :

(i) Till 1970s, consumer organisations wrote articles and held exhibitions. It had originated as a 'social force' for protecting and promoting the interests of consumers against unethical and unfair trade practices.

(ii) Consumer groups were formed to look into the malpractices in ration shops and overcrowding in the road passenger transport.

(iii) In 1986, the Government of India enacted Consumer Protection Act 1986, popularly known as COPRA to protect the interests of the consumers.

Q.3. Explain the need for consumer consciousness by giving two examples.

Ans. Two examples are Reji's suffering and Amritha's waiting. In case of Reji, a hospital, due to negligence of the doctors and staff in giving anaesthesia, crippled him for life. In case of Amritha, an engineering graduate, after attending an interview for job, did not receive any news of the result. In both the cases, they were conscious of their rights. Reji's father filed a complaint in the State Consumer Disputes Redressal Commission claiming compensation of Rs. 5 lakh for medical negligence and deficiency in service. The State Commission dismissed his case but he appealed again in the National Consumer Disputes Redressal Commission, New Delhi. The National Commission in its decision held hospital responsible for medical negligence and directed to pay the compensation. In case of Amritha, she filed an application under RTI Act to know the result. She soon got her call letter for appointment. Thus, there is a need for consumer consciousness to protect their interests successfully.

Q.4. Mention a few factors which cause exploitation of consumers.

Or

What are the various ways by which people may be exploited in the market ?

Ans. Factors which cause exploitation of consumers are given below :

- (i) Shopkeepers weigh less than what they should.
- (ii) Adulterated and defective goods are sold.
- (iii) Limited and false information about the goods or products is given to the consumers.
- (iv) **Limited supplies** : Limited supplies of goods and services are made to exploit the consumers who are compelled to pay more than the actual price.
- (v) **Limited competition** : When one or a group of producers control the production of any product, they exploit the consumers by manipulating the prices. For example in the housing sector, where the producers and consumers are few, the sellers exploit the consumers.
- (vi) **Low literacy** : Illiteracy too leads to exploitation of the consumers because they are unable to have complete knowledge about the products.

Q.5. What is the rationale behind the enactment of Consumer Protection Act, 1986 ?

Ans. The rationale behind the enactment of Consumer Protection Act 1986 (COPRA) was to protect the interests of the consumers because there are no legal formalities for filing the complaint. A consumer need not employ a lawyer or professional for legal assistance. He himself can plead the case in a consumer court. A person can make a complaint to consumer court on a

plain paper along with supporting documents such as guarantee or warrantee card, cash memo etc.

Q.6. Describe some of your duties as consumers if you visit a shopping complex in your locality.

Ans. Some of our duties as consumers are as given below :

- (i) While purchasing the goods, consumers should look at the quality of the products as well as on the guarantee of the products and services.
- (ii) Consumers should ask for cash memo for the products purchased.
- (iii) Exercise your right to choose a product of your liking without any conditions.
- (iv) Wherever possible, consumers should insist for the warrantee card.
- (v) Consumers should preferably purchase products with ISI, Agmark etc.

Q.7. Suppose you buy a bottle of honey and a biscuit packet. Which logo or mark will you have to look for and why ?

Ans. Agmark, because it is meant for the agricultural products.

Q.8. What legal measures were taken by the government to empower the consumers in India ?

Ans. The following legal measures were taken by the government to strengthen the consumers in India :

(i) Consumer Protection Act popularly known as COPRA was enacted in 1986. It was amended in 1991 and 1993.

(ii) In October 2005, Right to Information Act was enacted. This enables citizens to have all the information about the functions of government departments. The citizens have the right to know the particulars of goods and services they purchase.

Q.9. Mention some of the rights of consumers and write a few sentences on each.

Ans. Some of the rights of consumers are explained below :

(i) **Right to information :** The consumer has the right to know various details about goods and services they purchase. This include quality, quantity, potency, date of manufacturing, directions for use, 'MRP' and other particulars. Since October 2005, Right to Information Act ensures its citizens all the information about the functions of government departments.

(ii) **Right to choose :** It implies consumer's access to variety of goods and services at competitive price. A consumer cannot be forced to buy things that he may not wish to and is left with no choice.

(iii) **Right to safety :** The consumers have the right to be protected against marketing of goods and services which are hazardous to life and property e.g., gas cylinders and pressure cookers need safety measures.

(iv) **Right to seek redressal against unfair trade practices and exploitation :** A consumer can claim compensation for the damage caused by any product or service. The consumer can file a case in the consumer court against the shopkeeper or manufacturer.

(v) **Right to be heard or right to represent :** Under the Consumer Protection Act 1986 (COPRA), a three-tier quasi-judicial machinery at the district, state and national levels has been set up for consumers disputes. Consumers have the right to represent in these courts.

(vi) **Right to consumer education :** The government or other organisations should make attempts to educate citizens about various aspects of consumer welfare.

For example, the government tries to spread information about legal process which people can use through news papers, radio and TV.

Q.10. By what means can the consumers express their solidarity ?

Ans. The consumers can express their solidarity by forming consumer awareness organisation which may get representation in various committees formed by the government. There should be consumer's active involvement to protect the interest of all the consumers.

Q.11. Critically examine the progress of consumer movement in India.

Ans. It was on 24 December 1986 that the Indian Parliament enacted the Consumer Protection Act. This day *i.e.*, 24th December is celebrated as National Consumers' Day in the country. The consumer movement has made progress in terms of numbers of organised groups and activities. There are more than 700 consumer groups in the country. Out of these groups 20-25 are well organised and recognised for their work.

However, the progress of consumer movement in India has been slow. Even after twenty years of the enactment of COPRA in 1986, consumers are being exploited by the shopkeepers or traders. Defective or substandard home appliances are sold in the market. Duplicate articles are also being sold. There is adulteration and impurity in edible items. Incomplete information is found printed on various products. LPG gas cylinders with less weight are supplied to the housewives.

But the main reason for this state of affairs is that the consumers have not realised their role and importance. Most of the people do not make a complaint to redress their grievances. To make consumer movement effective, it is necessary that every complaint, even for a small amount of money, should be made. People should actively get involved in the movement to protect their interest.

Q.12. Match the following :

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| (i) Availing details of ingredients of a product | (a) Right to safety |
| (ii) Agmark | (b) Dealing with consumer cases |
| (iii) Accident due to faulty engine in a scooter | (c) Certification of edible oil and cereals |
| (iv) District Consumer Court | (d) Agency that develop standards for goods and services |
| (v) Consumers International | (e) Right to information |
| (vi) Bureau of Indian Standards | (f) Global level institution of consumer welfare organisations |

Ans. (i) (e), (ii) (c), (iii) (a), (iv) (b), (v) (f), (vi) (d).

Q.13. Say True or False :

- (i) COPRA applies only to goods.
- (ii) India is one of the many countries in the world which has exclusive courts for consumer redressal.
- (iii) When a consumer feels that he has been exploited, he must file a case in the District Consumer Court.
- (iv) It is worthwhile to move to consumer courts only if the damages incurred are of high value.
- (v) Hallmark is the certification maintained for standardisation of jewellery.
- (vi) The consumer redressal process is very simple and quick.

(vii) A consumer has the right to get compensation depending on the degree of the damage.

Ans. (i) False, (ii) True, (iii) True, (iv) False, (v) True, (vi) True, (vii) True.

MULTIPLE CHOICE QUESTIONS

Q.1. Which one of the following is not a way a consumer is exploited in the market place ?

(a) Less weight

(b) Adulterated goods

(c) Defective goods

(d) Right price

Ans. (d) Right price.

Q.2. How was the consumer movement originated in India ?

(a) Social force

(b) Political force

(c) Religious force

(d) Ethical force

Ans. (a) Social force

Q.3. Which of the following was not a factor that gave birth to the consumer movement in an organised form in the 1960s ?

(a) Food shortages

(b) Hoarding

(c) Black marketing

(d) Lack of education facilities

Ans. (d) Lack of education facilities.

Q.4. When was the Consumer Protection Act or COPRA enacted ?

(a) 1984

(b) 1985

(c) 1986

(d) 1987

Ans. (c) 1986.

Q.5. In which of the following products safety rules should be observed by the producers ?

(a) Vegetables

(b) Fruits

(c) Chocolates

(d) LPG cylinder

Ans. (d) LPG cylinder.

Q.6. When was Right to Information Act passed ?

(a) 2004

(b) 2005

(c) 2006

(d) 2007

Ans. (b) 2005.

Q.7. What is MRP ?

(a) Minimum Retail Price

(b) Marginal Retail Price

(c) Maximum Retail Price

(d) None of the above

Ans. (c) Maximum Retail Price.

Q.8. At which of the following level the consumer courts have not been set up ?

(a) National level

(b) State level

(c) District level

(d) Tehsil level

Ans. (d) Tehsil level.

Q.9. What is the limit of amount for the cases filed in the District level court ?

(a) Up to 20 lakhs.

(b) Up to 30 lakhs.

(c) Up to 40 lakhs.

(d) Up to 50 lakhs.

Ans. (a) Up to 20 lakhs.

Q.10. In which of the following courts the limit of amount for the cases is ₹. 1 crore and above ?

- (a) State level (b) National level
(c) District level (d) None of the above

Ans. (b) National level.

Q.11. On which of the following products ISI mark is used ?

- (a) Gas Stove (b) Chocolate
(c) Fruit Juice (d) Cold Drink

Ans. (a) Gas Stove.

Q.12. On which of the following products Hallmark is used ?

- (a) Consumer goods (b) Food items
(c) Edible oils (d) Gold Jewellery

Ans. (d) Gold Jewellery.

Q.13. On which of the following products Agmark is used ?

- (a) LPG cylinder (b) Electric bulb
(c) Electric Heater (d) Spices

Ans. (d) Spices.

Q.14. Which of the following is not an organisation to monitor quality standards ?

- (a) ISI (b) NGO
(c) Agmark (d) Hallmark

Ans. (b) NGO.

QUESTIONS OF 3/5 MARKS

Answers should be in about 80/120 words :

Q.1. Give two examples of false information that was passed on to the consumers through the media and other sources to attract consumers.

Ans. Two examples about products where false information was passed on to the consumers in the past to attract them are as follows :

(i) Milk powder : A company selling milk powder for babies all over the world claimed that the milk powder was better than mother's milk. People struggled against it and ultimately, the company agreed that it was a false claim.

(ii) Case against smoking cigarette : The companies manufacturing cigarette have accepted that smoking could cause cancer and is injurious to health.

Q.2. There may be rules and regulations but they are often not followed. Why ? Discuss.

Ans. It is correct to state that there may be rules and regulations but they are often not followed due to the factors as mentioned below :

(i) Every citizen purchases many things or products daily. Generally it is not possible to obtain a bill or cash memo from the shopkeeper and keep it as a record.

(ii) There is lack of awareness among most of the consumers who are illiterate and do not know about their rights as consumers.

(iii) Most of the purchases made are of small amount and consumers do not care to file a case for petty amount.

(iv) Life of the people is so busy that they do not find time for such matters. People have become habitual and exploitation by traders does not make any difference in their lives unless they suffer a substantial loss.

Q.3. Write a short note on Consumers International.

Or

UN role in the consumer movement.

Ans. In 1985, United Nations adopted the UN Guidelines for Consumer Protection. This enabled the nations all over the world to adopt measures to protect consumers. It became basis for consumer advocacy groups to press their governments to accept their demands for protection of consumers against unscrupulous traders and shopkeepers. It laid the foundation for the consumer movement. Now Consumers International is an umbrella body of 240 organisations from over 100 countries.

Q.4. Write a note on ISI, Agmark or Hallmark logo used on various commodities.

Ans. The Government of India has taken certain steps for standardisation of products through Bureau of Indian Standards (BIS) and Agmark. BIS caters to the industrial and consumer goods, the Agmark for the agricultural products and the Hallmark is for gold jewellery. These logos and certification help consumers get an assured quality of the goods and services. The producers can use these logos provided they follow certain quality standards.

These standards are not to be followed by all producers compulsorily. However, in cases of products of mass consumption like LPG cylinders, food colours and additives, cement, packaged drinking water, it is mandatory on the part of the producers to get them certified by these organisations.

Q.5. Write a brief note on COPRA.

Ans. The Consumer Protection Act or COPRA was enacted in 1986 to protect the interests of the consumers. The Act provides for establishment of Consumer Disputes Redressal Agencies at District, State and National levels for the protection and promotion of consumer interests and to redress their grievances in a speedy, simple and inexpensive manner. It is a quasi-judicial machinery. These are known as National Consumer Commission at Delhi, State Consumer Commission and District Forum. Various claims are dealt with by these courts as given below:

District Level : Up to ₹ 20 lakh.

State Level : Between ₹ 20 lakh and ₹ 1 crore.

National Level : Exceeding ₹ 1 crore.

If a case is dismissed in district level court, the consumer can appeal in the state and then in the National level court.

The Act has been amended in 1991 and 1993. It has enabled the consumers to have the right to represent in the consumer courts. The Act has also led to setting up of separate departments of Consumer Affairs in Central and State Governments which focus exclusively on the rights of the consumers. Thus, COPRA is an important step in the consumer movement in India.

Q.6. The Consumer Protection Act 1986 ensures the following as rights which every consumer in India should possess.

(i) Right to choose

(ii) Right to information

(iii) Right to redressal

(iv) Right to represent

(v) Right to safety

(vi) Right to consumer education

Categorise the following cases under different heads and mark against each in :

(a) Lata got an electric shock from a newly purchased iron. She complained to the shopkeeper immediately.

(b) John is dissatisfied with the services provided by MTNL for the past few months. He files a case in the District Level Consumer Forum.

(c) Your friend has been sold a medicine that has crossed the expiry date and you are advising her to lodge a complaint.

(d) Iqbal makes it a point to scan through all the particulars given on the pack of any item that he buys.

(e) You are not satisfied with the services of the cable operator catering to your locality but you are unable to switch over to anybody else.

(f) You realise that you have received a defective camera from a dealer you are complaining to the head office persistently.

Ans. (a) (v) Right to safety.

(b) (iii) Right to redressal.

(c) (vi) Right to consumer education

(d) (ii) Right to information.

(e) (i) Right to choose

(f) (iv) Right to represent.

VALUE BASED QUESTIONS

Read the following passages carefully and answer the questions that follow :

1. "The consumers have the right to be informed about the particulars of goods and services that they purchase. Consumers can then complain and ask for compensation or replacement if the product proves to be defective in any manner."

(i) Mention two other rights that are enjoyed by a consumer in India.

(ii) What is the value of the above right for a consumer who is not literate ?

Ans. (i) Two other rights are as mentioned below :

(a) Right to choose

(b) Right to seek redressal.

(ii) In theory the above right i.e., right to be informed is of great importance for the consumers. But in practice it is not used by all due to one reason or the other because generally people do not get receipts for the goods purchased by them. A person buys various things in a day and it is not possible to get receipts and keep them in safe custody. Moreover poor people who are not literate are unable to read the information printed on the different products. Sometimes the information given is not proper. It is false. Thus, under these circumstances the right to be informed is of little or no value for the consumers.

2. "A major step taken in 1986 by the Indian government was the enactment of the Consumer Protection Act 1986, popularly known as COPRA."

(i) Why was COPRA passed ?

(ii) Has COPRA succeeded in its objects particularly to make people aware about the malpractices in the market and has it proved valuable ?

Ans. (i) The COPRA was passed to bring pressure on business firms as well as government to correct business conduct which may be unfair and against the interests of consumers at large.

(ii) The COPRA has not succeeded in its objects. The consumer awareness is still at the lowest level. When we go to the market we do not insist on cash memo. Most of the shopkeepers too do not issue receipts. As a result of this even if defective or substandard products are sold, the shopkeepers do not take any responsibility. They do not give any compensation. It is the consumer who suffers at the every step. Thus even after 26 years of the enactment of COPRA it has not become valuable for the consumers.