

Q.1

Economics Chapter 5. Consumer Rights

Q.1. Define consumer and producer. How do we participate in the market?

Ans. Anyone who purchases goods and services from the market and pays for these is known as consumer.

Anyone who produce goods and services and sell these in the market is known as producer.

1. Consumers participate in the market when they purchase goods and services that they need.

2. Producers participate in the market when they sell their goods and services to the consumers.

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Q.2. What are different forms of Consumer's exploitation?

Ans. Consumers are generally exploited through following malpractices →

1. Unfair trade practices → The traders adopt some of wrong trade practices for the purpose of promoting sale. They give misleading advertisement, false promotional contents and take lucky draw schemes etc. They sell poor quality goods at high prices by giving exaggerated statements.

2. Offering discounts, gifts and prizes → there are sometimes sale discount, free gifts schemes and lucky draw schemes to attract customers.

such gifts and schemes are already included in MRP. Such schemes just benefit the Consumers.

3. Adulteration → Consumers are also exploited through adulteration of goods which are harmful for human life. For example harmful seeds in pulses, palm oil in mustard oil, dirty water in milk, sale of synthetic milk or mawa etc.

4. Underweight supply → Many traders sell their packed material as underweight. Actual quantity is less than the quantity written on the packages.

5. Deficiency in Service. → Consumers suffer a lot because of poor or deficient services. Such services are either delayed or denied.

6. Monopolistic Trade Practices → When there are a few sellers, they start charging high prices or selling deteriorated quality.

Q. 3. Briefly explain main rights of the consumer as provided under Consumer Protection Act 1986.

Ans. Consumer Protection Act 2005 Section 6 provides following rights to the consumer: -

1. Right to safety: -

Consumers are protected against the marketing of goods which have danger to health life and property.

- Q.1 2. Right to be informed → Consumer has a right to know important facts and information about the product i.e. about side effects of product its date of packing, expiry date, ingredients used, method of using product etc.
3. Right to choose → A consumer has a right to choose the product. She should not buy any good under pressure or under aggressive salesmanship.
4. Right to be heard. → She has right to be heard and assured that her interest will receive due consideration at appropriate forum.
5. Right to seek Redressal → Consumers have a right to seek redressal against exploitation of the consumer. She has a right to get compensation from the manufacturer or trader.

Q.4. How does a consumer exercise his right to be informed?

- Ans. 1. Manufacturers display the required information on the goods or medicines we purchase because consumers have the right to be informed.
2. Consumers can then complain and ask for compensation or replacement, if the product proves to be defective in any manner.
3. For example, if we buy a product and find it defective well within the expiry period we can ask for replacement. If the expiry period is not printed, the manufacturer would blame the shopkeeper and will not accept the responsibility.
4. One can protest and complain if someone

sells a good at more than the printed price on the packet. This is indicated by the Maximum Retail Price (MRP). In fact, customers can bargain with the seller to sell at less than MRP.

5. On October 2005 the Govt. of India enacted a law known as RTI or the Right to Information Act, which ensures its citizens all the information about the functions of government departments.

Q.5. What are the main features of Consumer Protection Act 1986?

Ans. Consumer Protection Act 1986 considers 'Consumer as a King'. It is a small Act that protects the interest of consumers. It has following main features:

i) Effective safeguard to Consumers interests: - This act protects consumers against different types of exploitation such as defective goods, deficient services, unfair trade practices etc.

ii) Three tier Grievances Redressal Machinery,
The Act 1986

provides for Three Tier Consumer grievance redressal machinery with District forum, State Commission and National level court.

iii) Simple and Inexpensive Redressal:

The Act provides a simple, speedy and inexpensive redressal of consumer grievances relating to their complaints.

iv) Wide Scope: This has wide scope. It covers all the suppliers of goods

Q.1- and services, both in public, private and cooperative sector.

Ans- V) Time Bound Redressal →

The main feature of the Act is that it has set a time limit for the disposal of cases.

VI) Consumer Protection Councils →

To promote the cause of consumer protection and educate consumers, the Act provides for the formation of Consumer Protection Council.

Q.6. How government of India is educating consumers for their rights? Mention different ways.

Ans- Following are the ways by which consumer protection movement can be popularised.

1. By advertising about rights of consumers in media such as newspaper, radio, T.V. etc.
2. By incorporating the rights of consumers in the syllabus covered by schools/colleges.
3. By promoting consumer organisations in India.
4. By setting up consumer courts in India.
5. By making it compulsory for manufacturers to give all necessary information about the product on package itself.
6. By celebrating 'Consumer's Rights Day' on 24th December every year.
7. By using posters, neon sign boards and by arranging seminars, workshops etc. Consumer is made aware of his rights.

Q.7. Mention a few factors which cause exploitation of consumers.

Ans Factors causing exploitation of consumers are -

1. Limited information →

Consumers are quite ignorant of their rights and duties.

2. Limited supply → In case the supply of goods is less than demand, prices go high. The traders take advantage of this situation. They begin to hoard those items. This leads to the exploitation of the consumers.

3. Low literacy or awareness →

Consumers usually lack the knowledge to judge different kinds of things. Adulterated or low-quality goods have less production costs and if the consumer is unaware or illiterate, it is easy to cheat him/her. Often when the consumer do not check the retail price of a commodity on its packing, sellers add extra charges to the same.

4. Limited Competition → Markets do not work in a fair manner when producers are few and powerful whereas consumers purchase in small amounts and are scattered. This happens when large companies are producing these goods. These companies with huge wealth and power can manipulate the market in various ways. This also leads to the exploitation of the consumers.

Q.8. Write a short note on RTI.

Ans.

Right to information → It is popularly known as RTI Act, which was passed

Q.1 in October 2005, which gives us the right to know about the functions of the government department. For Example: - Ansritha attended an interview for a job in the government department but did not received any news regarding the result. Therefore, she filed RTI to know the result so that she can plan.

Q.9. "Consumer movement can be effective only with the consumer's active involvement." Analyse the statement.

Ans. 1. It is true that consumer movement can be effective only with the consumer active involvement.
2. Consumers are the kings in the market place, therefore they should exercise their consumer rights.

3. Whenever a consumer buys any product or services, must be careful before buying, so that he may not be befooled by the producers and shopkeepers.

4. Consumer should exercise his rights and duties diligently. He should insist on buying a standardised product looking at his own safety.

5. If consumer is conscious or aware, he should convey this message to others so that this consumer movement may be made more effective.

Q.10. Comment on Redressal Machinery for Consumers Protection Act under 1986 Act.

Ans. Consumer Protection Act 1986 provides a Three Tier quasi Judicial redressal machinery at

state and national levels. A brief description of each level is given below: -

1. District Forum: - Consumer Protection ACT 1986 provides for the establishment of redressal forum at district level. A qualified district judge is appointed as its President by the State Govt. His terms and conditions are determined by the state. He can entertain complaints upto the disputes of Rs 20 lakhs only. He has all powers of a civil court.

2. State Commission: The Act provides the establishment of a State Consumer Disputes Redressal Commission. There are about 34 state Commission working in India. It has the president as having the qualification of High Court Judge. However he is appointed by the state govt. under their own terms and conditions. They attend the cases of disputes with the amount between Rs 20 lakhs to Rs 1 crore only.

3. National Commission → A National Consumers Disputes Redressal Commission is established by Central govt. President of this Commission has the qualification of Supreme Court Judge. He deals with the cases of having disputes for the amount of more than Rs. 1 crore.

Q.11. What are the duties of consumers while purchasing a thing? Write any three.

Ans. The duties of the consumers while purchasing a thing are: -

1. Consumer should look at the quality of

the product, market price, guarantee period, date of manufacturing, expiry date etc.

2. Consumers should purchase standard products with seal of ISI or the AGMARK.
3. Consumer should ask for a cash memo and warranty card.
4. He/she should know the legal procedures if he/she is cheated.
5. He/she should be aware of his/hers duties.

Q.12 COPRA has enabled the consumers to have the right to represent in the consumer courts. Explain with the help of an example how it benefits the consumers.

Ans. Under COPRA, a three-tier quasi-judicial machinery at the district, state and national levels was set up for redressal of consumer disputes. If a case is dismissed in district level court, the consumer can also appeal in the state court and then in national level courts. Thus, the Act has enabled us to have the right to represent in the consumer courts. It strengthened the consumer movement and provided the consumers with the right to seek redressal against unfair trade practices and exploitation. If any damage is done to a consumer, he/she has the right to get compensation depending on the degree of damage.

Q.13. Why are rules and regulations required in the market place?

Ans. 1) Weak Consumers → Without rules and regulation a consumer will be without any weapon to fight against the sellers. Individual consumers often find themselves in a weak position due to weak rules and regulations. Whenever there is a complaint regarding a good or service that had been bought, the seller tries to shift all the responsibility on to the buyer.

2) Exploitation of the Consumers: -

Exploitation in the market place happens in various ways. For example, sometimes traders indulge in unfair trade practices such as when the shopkeeper weigh less than what they should or etc. To protect the consumers from such a situation, rules and regulations are required.

3) Unfair market → Markets do not work in a fair manner when producers are few and powerful, whereas consumers purchase in small amounts and are scattered.

4) False information → At times, false information is passed on through the media and other sources to attract consumers.

Q.14. How do the consumers express their solidarity? Explain.

Ans. 1) By forming Consumer Forums - The consumer movement in India has led to the formation of various organisations locally known as consumer forums or consumer protection councils.

Q.1. They guide consumers on how to file cases in the Consumer Court.

Ans.

2. By forming organised groups: - There are today more than 100 Consumer groups in the country, though only few are organised but even unorganised groups are also playing very important role in awakening the consumers.

3. Consumer Day → 24th December is celebrated as national Consumer day. The day also binds consumers from different regions.

4. Role of Media → Media is also playing a very important role in binding the consumers. Media highlights various issues related to consumer exploitation.

5. Consumers International → It is the world federation of consumer groups that serves as the only independent and authoritative global voice for consumers. The organization continues to build a powerful international movement to empower and protect consumers everywhere.

Q.15. Comment on institutions determining quality of a product.

Ans. Following are main agency which determine the quality of a product.

1. Bureau of Indian Standard: - It determines quality of each product on scientific basis for industrial goods. Previously this institution

was known as Indian Standardisation Institute (ISI)

2) Agmark → It helps in determining the quality of agricultural products. It is working in India since 1957.

3) Hall mark:- It determines the quality of Jewellery in India.

4) Woolmark:- It determines the quality of woollen goods in the country.

Q. 16. 1) Explain the 'Right to Choose' as Consumer's right.

2) Explain the 'Right to Seek Redressal' as a Consumer right.

Ans.

1) Consumers have the right to assess the variety of goods and services at competitive price. In case of a single supplier, the consumers have the right to be assured of satisfactory quality and services at a fair price. This right gives the consumer assurance that no producer can force him/her to purchase a particular brand or product.

2) This is the most important right. The consumer has the right to seek redressal against unfair trade practices and exploitation. If any damage has been done to the consumer, he/she has the right to get compensation depending upon the degree of damage.

Q. 17. Mention any three limitations of Consumer Movement.

Ans. Limitations of Consumer Movement: -

1) It is cumbersome, expensive and time-consuming.

- Q 17. List any four reasons why consumer movement started in India.
- 1) Businesses are not easy to gather.
 - 2) Existing laws are not clear.
 - 3) Lack of consumer awareness.
 - 4) Rules and regulations are not clear.

Q 18. What is the position of individual consumers in the marketplace? Why did consumer movement start in India?

Ans. The position of individual consumers are weak in the marketplace. Consumer movement started in India because consumers were cheated in the marketplace and there was no legal system to protect them. So they were dissatisfied and this is how consumer movement started in India.

Q 19. Why should a consumer be well-informed? Explain.

Ans. When consumers become conscious of their rights while purchasing various goods and services, they will be able to discriminate and make informed choices.

2) There is less or no chance of getting exploited if the consumer is informed and aware.

Q 20. Explain any three functions of the Consumer Protection Council or Consumer Forum.

Ans. Functions of the Consumer Protection Council or Consumer Forum are :-

- 1) To guide the consumer on how to file cases in the consumer court.
- 2) To represent the individual consumer in the consumer court.
- 3) These voluntary organizations also receive

financial support from the government creating awareness among the people.