

UNIT-VI
CHAPTER
17

CONSUMER PROTECTION

INTRODUCTION

Consumer Protection means a group of laws and organizations designed to ensure the rights of consumers as well as fair trade, competition and accurate information in the marketplace. These laws are aimed at providing additional protection for the susceptible consumers in society. Consumer Protection is linked to safeguard consumer rights, and to the formation of consumer organizations, which help consumers make better choices in the marketplace and get help when it comes to lodging complaints about products purchased. There are some other organizations like Consumer Protection agencies, Federal Trade commission and Better Business Bureaus etc. This chapter deals with the movements of consumer protection.

I. CHOOSE THE CORRECT ANSWERS

- The final aim of modern marketing is _____**
a) Maximum profit b) Minimum profit
c) Consumer satisfaction d) Service to the society
- _____ is the king of modern marketing.**
a) Consumer b) Wholesaler
c) Producer d) Retailer
- As the consumer is having the rights, they are also having _____**
a) Measures b) Promotion
c) Responsibilities d) Duties
- Which of the following is not a consumer right summed up by John F. Kennedy**
a) Right to safety
b) Right to choose
c) Right to consume
d) Right to be informed
- It is the responsibility of a consumer that he must obtain _____ as a proof for the purchase of goods.**
a) Cash receipt b) Warranty card
c) Invoice d) All of these

ANSWERS

1	c	2	a	3	c	4	a	5	c
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II. VERY SHORT ANSWER QUESTIONS:

- Write short notes on: "Right to be informed".**
 - ❖ Consumers should be given all the relevant facts about the product so that they can take intelligent decisions on purchasing the product.
 - ❖ Advertising and labelling on the package should provide objective information to buyers.
 - ❖ This implies that manufacturer and the dealer are expected to disclose all the material facts relevant and relating to the product.
 - ❖ The package should contain the full details about the name of the product, composition, dosage, date of manufacturing, date of expiry, batch number, warnings, antidote etc.
 - ❖ In addition, it should clarify as to the name of the manufacturer, price with or without tax.
- What do you understand about "Right to Safety"?**
 - ❖ There may be few products which cause physical danger to consumers' health, lives and property.
 - ❖ They may contain potentially harmful substances which are dangerous from the consumer welfare point of view.
 - ❖ The best examples of this kind are Food additives, colours, emulsifiers, preservatives.
 - ❖ The health hazards which are likely to arise have to be eradicated or reduced altogether.
 - ❖ In case of food items and drugs both life saving and life sustaining safety is to be guaranteed.

- ❖ One thing that is encouraging to-day is that recent legislations have shifted the responsibility for the production of such unsafe items onto the shoulders of sellers rather than on buyers.

3. What are the rights of consumer according to John F. Kennedy?

- ❖ Right to protection of health and Right of Safety
- ❖ Right to be informed
- ❖ Right to choose
- ❖ Right to be Heard
- ❖ Right to seek Redressal
- ❖ Right to Consumer Education
- ❖ Right to Quality of Life
- ❖ Rights to Consumer Protection
- ❖ Rights to Basic Needs

4. Which is the supreme objective of business?

Satisfaction of consumer needs/requirements is stated to be supreme objective of a business.

5. What are the important aspects to be kept in mind by consumer while purchasing goods related to the quality of goods?

The customer should aware of his/her basic rights.
The basic rights of the consumers are as follows:
The Right to Safety
The Right to be informed
The Right to Choose
The Right to be heard

III. SHORT ANSWER QUESTIONS:

1. What do you understand by "Right to redressal".

- ❖ The complaints and protests are not just to be heard.
- ❖ But the aggrieved party is to be granted compensation within a reasonable time period.
- ❖ There should be prompt settlement of complaints and claims lodged by the aggrieved customers.
- ❖ This will boost consumer confidence and help render justice to buyers.
- ❖ There should be fair and just settlement of deserving claims in a definite timeframe.

2. Define "Consumer Rights".

- ❖ Consumer Right is interpreted as "the right to have information about the quality, potency, quantity, purity, price and standard of goods and services."

3. What do you understand about "Right to protection of health and safety".

- ❖ There may be few products that are more likely to cause physical danger to consumers' health, lives and property.
- ❖ They may contain potentially harmful substances which are dangerous.
- ❖ The best examples of this kind are Food additives, colours, emulsifiers, preservatives.
- ❖ The health hazards which are likely to arise have to be eradicated or reduced altogether.
- ❖ In case of food items and drugs both lifesaving and life sustaining safety is to be guaranteed.
- ❖ The recent legislations have shifted the responsibility for the production of such unsafe items onto the shoulders of sellers rather than on buyers.

IV. LONG ANSWER QUESTIONS:

1. What are the rights of consumers?

The various rights of consumers guaranteed under the Consumer Protection Act have been discussed here under.

i) Right to Protection of Health and Right of Safety:

- ❖ There may be few products that are more likely to cause physical danger to consumers' health, lives and property.
- ❖ They may contain potentially harmful substances which are dangerous.
- ❖ The best examples of this kind are Food additives, colours, emulsifiers, preservatives.
- ❖ The health hazards which are likely to arise have to be eradicated or reduced altogether.
- ❖ In case of food items and drugs both life saving and life sustaining safety is to be guaranteed.
- ❖ One thing that is encouraging to-day is that recent legislations have shifted the responsibility for the production of such unsafe items onto the shoulders of sellers rather than on buyers.

ii) Right to be Informed:

- ❖ Consumers should be given all relevant facts about the product so that they can take intelligent decisions on purchasing the product.

- ❖ Advertising and labelling on the package should provide objective information to buyers.
- ❖ This implies that manufacturer and the dealer are expected to disclose all the material facts relevant and relating to the product.
- ❖ The package should contain the full details about the name of the product, composition, dosage, date of manufacturing, date of expiry, batch number, warnings, antidote etc.
- ❖ In addition, it should clarify as to the name of the manufacturer, price with or without tax.
- ❖ Such information goes a long way towards saving the consumer against the possible deceit.

iii) Right to choose:

- ❖ Consumer satisfaction is the ultimate aim of modern marketing and is the philosophy of marketing concept.
- ❖ A wise trader or dealer or manufacturer is one who maximizes his profits by maximizing the consumer satisfaction.
- ❖ Consumer satisfaction can be increased by giving the consumer the widest choice.
- ❖ The term 'Choice' means offering the widest range of products in quality and brand varieties at reasonable prices.
- ❖ In short consumers should have access to varieties of goods in terms of colour, quality, design, size etc.

iv) Right to be Heard:

- ❖ Consumers have every right to ventilate and register his/her dissatisfaction, disagreements and get the complaint heard and aired.
- ❖ This right is vital.
- ❖ Business enterprises should lend a compassionate ear to complaints or grievances of consumers.
- ❖ All business enterprises should have a separate department or wing or segment for addressing consumer grievances.

v) Right to Seek Redressal:

- ❖ This step is one step ahead of the previous right.

- ❖ The complaints and protests are not just to be heard: but the aggrieved party is to be granted compensation within a reasonable time period.
- ❖ There should be prompt settlement of complaints and claims lodged by the aggrieved customers.
- ❖ This will boost consumer confidence and help render justice to buyers.
- ❖ There should be fair and just settlement of deserving claims in a definite timeframe.

vi) Right to Consumer Education:

- ❖ The consumer has a right to acquire knowledge and stay well-informed all through his life.
- ❖ He should be aware about his rights and the reliefs granted to him where a product or service falls short of his expectations.
- ❖ Many consumer organisations and some enlightened businesses are taking a pro active part in educating consumers in this respect.

vii) Right to Quality of Life:

- ❖ Quality of life refers to the perceived wellbeing of people, in groups and individually, and well-being of the environment in which these people live.
- ❖ Consumerism has been defined as 'an improved quality of life.'
- ❖ It means that the environmental problems affect the very life of consumers and on the environment which people live.
- ❖ In other words air pollution, water pollution, food pollution, noise pollution, and relation pollution, and legacies of on-going industrialization take a heavy toll on the quality of life of people and on the environment of their inhabitation.
- ❖ The social cost of these pollutions far exceed their social benefits.
- ❖ In other words, each kind of pollution is eating away the social benefits resulting from the society.
- ❖ It is where the social responsibilities of business enterprises arise; there is nothing wrong in producing the products/output for the mankind.

- ❖ But the manufacturers have to safely dispose the inevitable sewage and effluent in such a way that it does not cause any damage to human or environment.

viii) Right to Consumer Protection:

- ❖ The consumer has a right to be aware of his rights and remedies available to him, redress his grievances through publicity in the mass media.
- ❖ Consumer has a right to be protected against goods and services which are hazardous to life and health.
- ❖ For instance, electrical appliances which are manufactured with substandard components or which do not conform to the safety norms might cause serious physical injury to the user.
- ❖ Therefore, consumers need to be educated that they should use electrical appliances with ISI mark which stands testimony to the quality and standards observed in the manufacturers.

ix) Right to Basic Needs:

- ❖ Every consumer has a right to get basic necessities of life such as food, clothing and water, and right to pure and healthy environment.
- ❖ It is the latest addition to consumer bill of rights.
- ❖ Community life should be free from various modes of pollution.
- ❖ This will enhance the quality of human life.

2. Explain the duties of consumers.

i) Buying Quality Products at Reasonable Price

- ❖ It is the responsibility of a consumer to purchase a product after gaining a thorough knowledge of its price, quality and other terms and conditions.
- ❖ The consumer has to have the knowledge about the quality from his own experiences or from the experiences of other persons who used the product or by browsing the website.
- ❖ Hence it is the duty of the consumer to buy scrupulously.

ii) Ensure the Weights and Measurement before Making Purchases

- ❖ The sellers often cheat consumer by using unfair weights and measures.
- ❖ The consumer should ensure that he/she is getting the product of exact weight and measure.
- ❖ The consumer should remain vigilant when the seller is naturally measuring or weighing the product.

iii) Reading the Label Carefully:

- ❖ It is the duty of the consumer to thoroughly read the label of the product.
- ❖ It should have correct, complete and true information about the product.

iv) Beware of False and Attractive Advertisements:

- ❖ Often the products are not as attractive as shown in the advertisement by the sellers.
- ❖ Hence, it is the prime duty of consumer not to get misled by such fraudulent advertisements.

v) Misleading Schemes:

- ❖ The advertisements are used to be very attractive and appealing to the senses.
- ❖ They may be occasionally false and misleading.
- ❖ The consumer is supposed to be careful with the attractive advertisements and avoid such misleading and false advertisements.
- ❖ Hence the consumer should be aware of the fact that he is not getting anything free and should not buy unwanted things out of greed.

vi) Ensuring the Receipt of Cash Bill:

- ❖ It is a legitimate duty of consumers to collect cash receipt and warranty card supplied along with bills.
- ❖ This will help them in seeking redressal for their grievances.
- ❖ Unscrupulous sellers offer to reduce the final price of goods if they sell without bill.
- ❖ It is the duty of the consumer to demand and collect the cash receipt, and warranty card.

vii) Buying from Reputed Shops:

- ❖ It is advisable for the consumer to make purchase from the reputed shops or government shops like super bazaar, cooperative stores, and the like.

- ❖ By doing so the consumers can escape from the malpractice of the manufacturers and shopkeepers or vendors.

viii) Never Purchase from Black Market:

- ❖ The consumer should not buy things from black market and in excess of his requirements.
- ❖ At times of scarcity consumer should not resort to panic buying and stock things excessively.
- ❖ This practice prevents others from purchasing their share of requirement.

ix) Buying Standardized Products:

- ❖ Often the consumer buys cheap products which are not durable or are not safe.
- ❖ Therefore, it is the duty of the consumer to buy products with standardization marks which is supposed to be safe in every respect.

x) Follow the Instruction of the Manufacturer:

- ❖ It is the duty of the consumer to use the product as per its instructions.
- ❖ E.g., if a medicine carries an instruction regarding its storage, it should be stored in the fridge.
- ❖ This would help in prevention of any damage to the medicine and harm to the consumer's health.

xi) Knowledge of Consumer Rights:

- ❖ It is the duty of the consumer to be aware of his rights.
- ❖ If a consumer is cheated by a seller, then he should immediately lodge a complaint with the authorities designated for consumer grievance redressal rather than remaining a silent spectator.

3. What are the responsibilities of consumers?

The responsibilities of consumer are listed below;

1. The consumer must pay the price of the goods according to the terms and conditions of the sales contract.
2. The consumer has got a responsibility to apply to the seller for the delivery of the goods. He/she has to take delivery of the goods in time.
3. The consumer has to bear any loss, which may arise to the seller when the consumer delays taking delivery of the goods as per the terms of

contract.

4. The consumer is bound to pay any interest and special damages caused to the seller in case if there is delay in the payment.
5. The consumer has to assiduously follow and keenly observe the instructions and precautions while using the products.
6. The consumer has the responsibility to express unambiguously to the seller of his requirements and expectations from the product.
7. The consumer must seek to collect complete information about the quality, quantity, price etc of the product before purchasing it.
8. The consumer must get cash receipt as a proof of goods purchased from the seller. If it carries any warranty, the buyer must obtain the warranty card mentioning the date of purchase and period of warranty. It must also bear the signature and stamp of the seller organization.
9. The consumer must file a complaint with the seller concerned about defects or shortcomings noticed in their products and services.
10. The consumer should never compromise on the quality of goods. The consumers must watch for ISI, Agmark, FPO, the standard quality certification marks and the like in the label.
11. The consumer should not be carried away by exaggerating the quality of the goods through advertisements. If there is any discrepancy between the features advertised and the actual features observed in the product, it must be brought to the notice of the seller or advertiser.
12. The consumer has every right to safety, right to be informed, right to choose, right to represent, and right to seek redressal and right to seek information. If any of these rights is violated, the consumer should file a complaint with the appropriate legal machinery under the Consumer Protection Act, 1986.

ADDITIONAL QUESTIONS:**I. CHOOSE THE CORRECT ANSWERS:**

1. Checking the BIS mark or Agmark on the goods is the _____ of the consumer.

- a) right b) Awareness
c) Duty d) All the above

2. Being beware of misleading advertisements is the important _____ of the consumer.

- a) Responsibility b) duties
c) rights d) none

3. The sellers/producers often indulge in unfair trade practices and charge high prices is the _____ of the consumers.

- a) weakness b) rights
c) duties d) none

4. _____ provides a safeguard for consumers against goods and services which are hazardous to health.

- a) Right to Safety
b) Right to choose
c) Right to be informed
d) Right to be heard

5. _____ provides the consumer must be assured whenever possible access to a variety of goods and services at competitive prices.

- a) Right to consumer protection act
b) Right to Choose
c) Right to Safety
d) Right to be heard

6. Assertion (A): It is mandatory for the consumer to know the rights
Reason(R): According to Consumer protection act everybody has to know the rights towards the purchase of goods.

Codes:

- a) Both statements are true.
b) Both statements are false.
c) Statement I is true, but Statement II is false.
d) Statement I is false, but Statement II is true

7. Assertion(A): The consumer protection is applicable to all goods and services.

Reason(R): The various rights of consumers are guaranteed under Consumer Protection Act

- a) Both (A) and (R) are true and (R) is the correct explanation of (A).
b) Both (A) and (R) are true, but (R) is incorrect explanation of (A).
c) (A) is true, but (R) is false
d) (A) is false, but (R) is true.

8. The total number of rights to consumers as per consumer protection act is _____.

- a) 5 b) 8
c) 6 d) 9

9. Which of the following is not included in the rights of a consumer?

- a) Right to be informed
b) Right to be heard
c) Right to Choose
d) Right to be presented

10. The consumer has the right to present before the appropriate forum or authorities all those matters which effect his interests. This right of consumer is termed as right to be _____.

- a) informed b) heard
c) safety d) educated

ANSWERS

1	c	2	a	3	a	4	a	5	b
6	a	7	b	8	d	9	d	10	b

II. VERY SHORT ANSWER QUESTIONS:

1. Write a note on Right to Consumer Education.

- ❖ The consumer has a right to acquire knowledge and stay well-informed all through his life.
- ❖ He should be aware about his rights and the reliefs granted to him.
- ❖ Many consumer organizations and some enlightened businesses are taking a pro active part in education consumers in this respect.