Economics: Understanding Economic Development?

Consumer Rig (15 (3 Marks)

regulations that would promote development?

Q. 1. Why do we need rules and regulations that would promote development?

Short Answer Questions

Ans. (i) These could be for the protection of workers in the unorganised sector.

- (ii) To protect people from high interest rates charged by moneylenders.
- (iii) Rules and regulations are also required for protecting the environment.
- (iv) Similarly, rules and regulations are required for the protection of the consumers in the marketplace.

Q. 2. In what ways are consumers exploited in the marketplace?

- Ans. (i) Sometimes, shopkeepers weigh less than what they should or traders add charges that were not mentioned before.
 - (ii) When adulterated or defective goods are sold.
 - (iii) At times, false information is passed on through the media, and other sources to attract consumers.

Q. 3. What factors gave birth to the 'Consumer Movement' in India?

- Ans. (i) The consumer movement arose out of a dissatisfaction of the consumers as many unfair practices were being indulged in by sellers.
 - (ii) There was no legal system available to consumers, to protect them from exploitation in the marketplace.
 - (iii) It was presumed that it was the responsibility of the consumers to be careful while buying a commodity or service.
 - (iv) It took many years for organizations in India, and around the world, to create awareness amongst people.
 - (v) This has also shifted the responsibility of ensuring the quality of goods and services on the sellers.

O. 4. How can a consumer exercise his right to choice?

- Ans. (i) Any consumer who receives a service in whatever capacity, regardless of age, gender and nature of service, has the right to choose, whether to continue to receive the service or not.
 - (ii) For example, suppose you want to buy a toothpaste, and the shop owner says that he can sell the toothpaste only if you buy a toothbrush. If you are not interested in buying the brush your right to choice is denied.
 - (iii) So many a times you are forced to buy things that you may not wish to and you are left with no choice.

Q. 5. How do you exercise the right to seek redressal?

- Ans. (i) Consumers have the right to seek redressal against unfair trade practices and exploitation.
 - (ii) If any damage is done to a consumer, he or she has the right to get a compensation, depending on the degree of damage.
 - (iii) There is a need to provide an easy and effective public system by which this can be done.

Example: Prakash had sent a money order to his village for his daughter's marriage money did not reach his daughter at the time when she needed it, nor did it reach month later. So prakash filed a case in the district level consumer court and practised right to seek redressal.

Q. 6. What is the judicial structure of consumer disputes in India?

Ans. Under COPRA, a three tier quasi-judicial machinery at the district, state and national levels was set up for redressal of consumer disputes.

(i) District level courts: They deal with cases involving claims upto ₹ 20 lakh.

(ii) State level courts: They deal with cases involving claims between ₹ 20 lakh to ₹ 1 crore.

(iii) National level courts: They deal with cases which are exceeding ₹ 1 crore.

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

Q. 7. How can consumers be protected from hazardous goods or services?

- Ans. (i) While using many goods and services, we as consumers have the right to be protected against the marketing of goods and delivery of services that are hazardous to life and property.
 - (ii) Producers need to strictly follow the required safety rules and regulations. There are many goods and services that we purchase that require special attention to safety.
 - (iii) For example, pressure cookers have a safety valve which if defective, can cause a serious accident. The manufacturers of safety valves have to ensure high quality of valves used.

Q. 8. Who are producers and consumers?

Ans. We participate in the market both as producers and consumers.

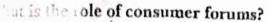
- (i) As producers of goods and services we could be working in any of the sectors like primary, secondary or tertiary.
- (ii) Consumers participate in the market when they purchase goods and services that they need. These are the final goods that people as consumers use.

Q. 9. What information is needed on the packed goods?

- Ans. (i) On the packed goods, details of ingredients used, price, batch number, date of manufacture, expiry date and address of manufacturer is needed.
 - (ii) On the packets of medicines, we must get 'directions for proper use' and information relating to side effects, its expiry date and risks associated with usage of that medicine.
 - (iii) When we buy garments, we find information on 'instructions for washing'.

Q. 10. How the 'Right to Information' has been expanded to cover various services provided by the government?

- Ans. (i) In October 2005, the government of India enacted a law, popularly known as RTI or Right to Information Act, which ensures its citizens all the information about the functions of government departments.
 - (ii) The effect of the RTI Act can be understood by taking up the following example.
 - (iii) An engineering graduate applied for a government job and submitted all his certificates. But officials did not inform him the status of his selection. He therefore filed an application using the RTI Act, saying that it was his right to know the result, so that he can plan his future. He soon got his call letter for appointment.



- Aus. The consumer movement in India has led to the formation of various organisations known as 'Consumer Forums' or 'Consumer Protection Councils'.
 - (i) They guide consumers on how to file cases in the consumer court.
 - (ii) On many occasions, they also represent individual consumers in the consumer courts.
 - (iii) These voluntary organisations also receive financial support from the government for creating awareness among the people.

Long Answer Questions

(Marks)

Q. 1. How does a consumer exercise his right to be informed?

- Ans. (i) Manufacturers display the required information on the goods or medicines we purchase, because consumers have the right to be informed.
 - (ii) Consumers then can complain and ask for compensation or replacement, if the product proves to be defective in any manner.
 - (iii) For example, if we buy a product and find it defective well within the expiry period, we can ask for a replacement. If the expiry period is not printed, the manufacturer would blame the shopkeeper and will not accept the responsibility.
 - (iv) 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 the MRP.
 - (v) On October 2005, the government of India enacted a law known as RTI or the Right to Information Act, which ensures its citizens of all-the information about the functions of government departments.

Q. 2. What problems do we face in taking the consumer movement forward?

- Ans. (i) The consumer redressal process is becoming cumbersome, expensive and time-consuming.
 - (ii) Many times, consumers are required to engage a lawyer.
 - (iii) These cases require time for filing and attending the court proceedings, etc.
 - (iv) In most purchases, cash memos are not issued hence evidence is not easy to gather.
 - (v) Moreover, most purchases in the market are small retail sales.
 - (vi) The existing laws also are not very clear on the issue of compensation to consumers injured by defective products.
 - (vii) After 25 years of the enactment of COPRA, consumer awareness in India is spreading but slowly.
 - (viii) Besides this, the enforcement of laws that protect workers, especially in the unorganised sectors is weak.
 - (ix) Rules and regulations for the functioning of markets are often not followed.

Q. 3. Trace the evolution of the consumer movement in India.

- Ans. (i) In India, the consumer movement as a 'social force' began with the necessity of protecting and promoting the interests of consumers against unfair trade practices.
 - (ii) Rampant food shortages, hoarding, black marketing, adulteration of food and edible oil gave birth to the consumer movement in an organised form, in the 1960s.

- (iii) Till the 1970s, consumer organisations were largely engaged in writing articles, holding exhibitions.
- (iv) They formed consumer groups to look into the malpractices in ration shops and overcrowding in the road passenger transport.
- (v) Because of these efforts, the movement succeeded in bringing pressure on business firms, as well as the government to correct business conduct.
- (vi) A major step taken in 1986 by the Indian government, was the enactment of the Consumer Protection Act 1986, popularly known as COPRA.

Q. 4. What are consumer forums? How can a consumer approach them?

- Ans. (i) The consumer movement in India has led to the formation of various organisations locally, known as Consumer Forums or Consumer Protection Councils.
 - (ii) They guide consumers on how to file cases in the consumer courts.
 - (iii) On many occasions, they also represent the individual consumers in the consumer courts.
 - (iv) These voluntary organisations also receive financial support from the government for creating awareness among the people.

Q. 5. What were the ideas behind the Consumer Protection Act, 1986?

- Ans. The idea behind the enactment of the Consumer Protection Act, 1986 was to protect and promote the rights of the consumers and to save them from the malpractices of the manufacturers and traders.
 - (i) It is also meant to create awareness among consumers.
 - (ii) It is meant to punish those who indulge in malpractices and try to exploit the consumers.
 - (iii) It checks adulteration of edible products.
 - (iv) It checks the traders who indulge in hoarding, black marketing, etc.

Q. 6. Write a note on 'Consumer International.'

- Ans. (i) In 1985 United Nations adopted the guidelines for consumer protection.
 - (ii) This was a tool for nations to adopt measures to protect consumers and for consumer advocacy groups to press their governments to do so.
 - (iii) At the international level, this has become foundation for consumer movement.
 - (iv) Today Consumer International has become an umbrella body of 240 organisations from over 100 countries, in which India is one of them.

Q. 7. How 'Right to Safety' can be practised?

- Ans. (i) While using many goods and services, we as consumers, have the right to be protected against the marketing of goods and delivery of services that are hazardous to life and property.
 - (ii) Producers need to strictly follow the required safety rules and regulations.
 - (iii) There are many goods and services that we purchase that require special attention to safety.
 - (iv) For example, pressure cookers have a safety valve which, if it is defective, can cause a serious accident. The manufacturers of the safety valve have to ensure high quality. We also need public or government action to see that this quality is maintained.

How consumer should become a well-informed consumer?

- Ans. (i) When we as consumers become conscious of our rights, while purchasing various goods and services, we will be able to discriminate and make informed choices.
 - (ii) This calls for acquiring the knowledge skill to become a well-informed consumer.
 - (iii) We should become conscious of our rights. The enactment of COPRA has led to the setting up of separate departments of Consumes Affairs in central and state government.
 - (iv) There are posters in the cities or states, through which government spreadinformation about legal process which people can use.

Q. 9. Why quality measurements are used to satisfy a consumer?

- Ans. (i) While buying many commodities, there is a logo with letters like ISI, AGMARK or Hallmark.
 - (ii) These logos and codification help consumers get assured of quality while purchasing the goods and services.
 - (iii) The organisations that monitor and issue these certificates allow producers to use their logos provided they follow certain quality standards.
 - (iv) Though these organisations develop quality standards for many products, it is not compulsory for all the producers to follow standards.
 - (v) However, for some products that affect the health and safety of consumers or of products of mass consumption like LPG cylinders, food colours, additives, cement, packed drinking water, it is mandatory on the part of the producers to get these certified by these organisations.

TROUGHTATING THE STREET WATER

PROJECT-1: ENACTMENT

- Class can be divided into groups.
- Each group would be told to enact any situation in which a consumer is exploited by the producers.
- In case of exploitation, which particular right can be exercised by the consumers, will be presented.
- How they can consult a consumer court and which particular court and how the case will be presented before the consumer court?
- Marks will be allotted on the basis of their matter and presentation.

PROJECT-2: POSTER MAKING

- A poster-making competition can be organised in the class on 'Jago Grahak Jago'.
- In it children will depict the character 'Rani' and will show how is she exercising rights of a consumer.
- This character is taken by Ministry of Consumer Affairs, Government of India to create 'Consumer Awareness'.
- Poster can be prepared by a group of two students and should carry a good slogan.
- Marks will be allotted on the basis of their logo, presentation and the matter.