

UNIT 12

CONSUMER PROTECTION

Protecting consumers from unfair trade practices, adopted by the producers and/or sellers of goods and services is termed as consumer protection. It not only includes educating consumers about their rights and responsibilities, but also helps in getting their grievances redressed.

Importance of consumer protection from consumer's point of view :

1. **Consumers Ignorance :** Majority of consumers are not aware of their rights and reliefs available to them as a result of which they are exploited. In order to save consumers from exploitation, consumer protection is needed.
2. **Unorganised Consumers :** In India consumers are still unorganised and there is lack of consumer organisations also, thus consumer protection is required.
3. **Widespread exploitation of Consumers :** Consumers are exploited on large scale by means of various unfair trade practices and consumer protection is required to protect them from exploitation.

Importance of Consumer Protection from the Point View of Business

1. **Long term business interest :** It is always in the interest of the business to keep its customer satisfied, Global competition could be won only after satisfying customers. Satisfied customers lead to repeat sales and help in increasing customer base of business.
2. **Moral Justification :** It is the moral duty of any business to take care of consumer interest & avoid any form of their exploitation & unfair trade practices like defective & unsafe products, adulteration, false & misleading advertising, hoardings black marketing etc.
3. **Business uses society's resources :** Every business uses the resources of the society and thus it is their responsibility to work in the interest of the society.

4. **Social Responsibility** : A business has social responsibilities towards various groups like owner, workers, government, customers etc. Thus, customers should be provided qualitative goods at reasonable prices.
5. **Government Intervention** : If a business engage in any form of unfair trade practices then government take action against it, which adversely affect its goodwill.

CONSUMER PROTECTION ACT, 1986 (CPA, 1986)

Consumer protection Act 1986 was introduced to make consumers aware about their rights and to give them legal protection. According to it consumer is defined as follows.

1. Any person who buys any goods for a consideration It includes any user of such goods with the approval of the buyer. But it does not include a person who obtains goods for resale or any commercial purpose.
2. Any person who avails any services for a consideration. It includes any beneficiary of such services but it does not include a person who avails such service for any commercial purpose.

Rights of a Consumer

Consumer protection Act, 1986 has provided six rights to the consumer, which are as follows:

1. **Right to Safety** : Consumer has the right to be protected against products, & services which are hazardous to health & life (should use ISI marked electric products)
2. **Right to be informed** : Consumer has right to have complete information about the product before buying it.
3. **Right to choose** : Consumer has a right to choose any product out of the available products as per his own decision/liking.
4. **Right to be heard** : Consumer has the right to file a complaint & to be heard in case of dissatisfaction with goods or services (use of grievance cell)
5. **Right to Seek Redressal** : Consumer has the right to get relief in case the product or service falls short of his expectations or is dangerous. He may be provided with replacement / removal of defect / compensation for any loss.

6. **Right to consumer education** : Consumer has right to acquire knowledge & to be well informed consumer throughout life. It make consumer aware all the time.

Responsibilities / Duties of a Consumer

1. **Consumer must exercise his right** : Consumer must be aware of their rights with regard to the product or services they buy from the market.
2. **Consumer must be a cautious consumer** : While buying a product or services, a consumer should read labels carefully to learn about its every minute detail.
3. Consumer must **file a complaint** in a appropriate forum in case of any shortcoming in product / service availed.
4. Consumer must insist on **cash memo** ; i.e. a proof of purchase & required to file a complaint.
5. Consumer must be a **quality conscious** : He should ask / look for ISI mark on electric goods. FPO mark on food products, Hall mark on jewellery etc.
6. Consumer must bring the discrepancy in the **advertisement** to the notice of the sponsor.

THE SALIENT FEATURES AND PROVISIONS OF CONSUMER PROTECTION ACT, 1986

Why was consumer protection act, 1986 enacted

To protect & promote the interests of the consumers by providing various rights to them.

Under what circumstances complaints can be filed ?

Frandulent practices of traders & manufactures.

Goods are defective

Any deficiency in the services hired.

Redressal agencies under the consumer Protection Act 1986.

District forum

State Commission

National commission

Within what period the complaint must be filed ?

Within 3 months of purchase & if some testing of goods is required then within 5 months.

Who can file a complaint.

Any consumer

Any registered consumer association.

Central / State Govts.

Legal heir / representation of a deceased customer.

Relief Available to Consumers (Remedies)

1. To remove the defect in goods or services.
2. To replace the defective product with a new one free from defect.
3. To refund the price paid for the product/Service.
4. To pay compensation for the loss or injury suffered by the consumer due to product/Service.
5. To discontinue the unfair trade practice & not to repeat them.
6. To withdraw the hazardous goods from sale.

Role and Functions of Consumer Organisation & NGOs.

1. Educating the general public about consumer right by organising training programmes, seminars and workshops.
2. Publishing periodical & other publications.
3. Providing Legal assistance to consumers.
4. Producing films or cassettes on food adulteration, misuse of drugs etc.
5. Filing complaints in appropriate consumer courts on behalf of consumers.

Ways And Means of Consumer Protection.

1. **Government** : Protects the interest of consumers by enacting various legislations like CPA 1986, Sale of goods Act 1930, Bureau of Indian Standard 1986 etc. Consumer Protection Act provides for a three-tier machinery at the district, state & national level for speedy & inexpensive redressal of consumer grievances.

2. **Consumer Organisation** : Force business firms to avoid malpractices & exploitation of consumers.
 - i) e.g. Consumer coordination council, Delhi.
 - ii) Common cause, Delhi
 - iii) Consumers Association, Kolkata.
 - iv) Mumbai Grahak Panchyat, Mumbai etc.
3. **Business Association** : The associations of trade, commerce & business like federation of Indian Chambers of commerce (FICCI) & Confederation of Indian Industries (CII) have laid down their code of conduct for their members in their dealings with the customers.

IMPORTANT QUESTIONS :

1 marks

1. What are the two aspect of consumer prolection?
(Hint - Educating consumers & Redressal of their grievances)
2. Give one example of consumer exploitation?
(unsafe products / Black marketing)
3. Name any two legitalations which provide protection to consumers
(Hint : (i) CPA 1986, The Essential Commodities Act 1955)
4. Mention any two ways & means of consumer protection.
(Hint - Consumer organisation & Govt.)
5. Which mark is issued under the Bureau of Indian Standard Act 1986 ?
(Hint : ISI)

3/4 Marks Questions

6. Explain the role of Universities & schools in counsumer protection?
7. Explain briefly the silent features of consumer protection Act 1986?

UNIT 13

PROJECT WORK

Introduction :

A project means an activity which has a special purpose and which is performed with absolute devotion and enthusiasm

Project work assigned to the students whether individually or in groups. It has two types as

1. Visit of a Industrial unit as Bank, Stock Exchange or a mall.
2. Case study of a product as packing, branding and labelling.

Objects of a Project

1. Providing deep knowledge to the students
2. Developing Creativity in the students
3. Developing independent thinking skill in the student.
4. To convert theoretical knowledge into practical knowledge.

Steps in Project Work

1. Selection of topic or problem
2. Define the problem.
3. Setting objectives of the problem.
4. Preparing questionnaire.
5. Conducting enquiry
6. Collect information and Data
7. Editing the information or data
8. Analysing the Data or Information
9. Preparing the Report

The marks will be allocated on the following head by C.B.S.E.

- | | |
|--|---------|
| 1. Initiative, cooperativeness and participation | 1 Mark |
| 2. Creativity in presentation | 1 Mark |
| 3. Context, observation and research work | 2 Marks |
| 4. Analysis of situations | 2 Marks |
| 5. Viva | 4 Marks |

Total 10 marks

Some Content of the Project :

1. Principles of Management :

1. Division of work
2. Unity of Command
3. Unity of direction
4. Remuneration to employees
5. Scalar chain
6. Functional foremanship
7. Time study
8. Motion study
9. Fatigue study.

2. Business Environment :

1. Effect of New Industrial Policy
2. New Trade Policy

3. Organisation :

1. Departmentalization

4. Staffing :

1. On the Job Training
2. Off the Job Training

5. Financial Management :

1. Stock Exchange
(A) B.S.E. (B) N.S.E.
2. Trading procedure on stock exchange.
3. Procedure of opening the following A/c, saving A/c, Trading A/c, D Mat A/c

6. Marketing Management :

1. Branding
2. Labelling
3. Packaging
4. Types or levels of channel of distribution
5. Methods of Sales promotion

7. Consumer Protection :

1. Advertisement of the ISI Mark, Hall Mark, Agmark.