



# Introduction

This is a learning as well as an exam preparation video.

At the end of the video are practice assignments for you to attempt.

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# Chapter 12: Consumer Protection

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## Introduction

**Any individual who purchases products or services for his personal use and not for manufacturing or resale is called a consumer. A consumer is one who is the decision-maker whether or not to buy an item at the store or someone who is influenced by advertisement and marketing.**

# Chapter 12: Consumer Protection

## Importance of Consumer Protection:

### A. From Consumer's Point of View:

#### 1. Consumer Ignorance:

The majority of consumers are unaware of their rights and remedies, and as a result, they are constantly exploited.

Consumer protection is required

to protect consumers from such exploitative practices.

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## Importance of Consumer Protection:

### 2. Widespread Exploitation of Consumers:

Consumers are abused on a huge scale through a variety of unfair trade practices, and consumer protection is necessary to safeguard them.

3. Unorganized Consumers: Consumers in India are still unorganised, and there are few consumer organisations that would advocate for them.

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## Importance of Consumer Protection:

### 3. Unorganized Consumers:

Consumers in India are still unorganised, and there are few consumer organisations that would advocate for them.

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## Importance of Consumer Protection:

### B. From Business Point of View:

#### 1. Business utilises societal resources:

Every business utilises societal resources, and it is their job to operate in the society's best interests.



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## Importance of Consumer Protection:

### 2. Long-term business interests:

It is in the business's best interests to keep its customers happy. Customers must be satisfied in order to win the global competition. Satisfied consumers lead to repeat purchases, which helps to expand the company's customer base.

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## Importance of Consumer Protection:

### 3. Government Intervention:

If a firm engages in any type of unfair commercial practices, the government will take action against it, harming the company's reputation.

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## Importance of Consumer Protection:

### 4. Social Responsibility:

A business has social duties to a variety of stakeholders, including owners, employees, the government, and customers. As a result, shoppers should be able to purchase high-quality goods at affordable pricing.

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## Importance of Consumer Protection:

### 5. Moral Justification:

Any firm has a moral obligation to behave in the best interests of its customers and prevent exploitation and unfair trade practices such as faulty and unsafe products, adulteration, false and misleading advertising, hoardings, black marketing, and so on.

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The Consumer Protection ACT, 2019:



Consumer Protection Act, 2019 is a law to protect the interests of the consumers. This act was inevitable to resolve a large number of pending consumer complaints in consumer courts across the country. It has ways and means to solve the consumer grievances speedily.

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## Scope of the Act:

The scope of this act is broad and covers a wide range of activities. This act covers all the undertakings.

- Both large- and small-scale undertakings.
- All three sectors are covered, namely private, public, and cooperative.
- It is applicable to e-commerce companies as well.
- It is applicable to whole of India.
- All goods, services and trade practices are a part of this act, until specifically exempted.

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Legal Protection to Consumers:



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## Legal Protection to Consumers:

### 1. The Consumer Protection Act, 1986 (COPRA):

In this, it protects the right of the consumer and makes user aware of their rights. They have developed or formed three-tier system wherein there is District Forums, State Commission, and National Commission thus to protect the right of the consumer.



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## Legal Protection to Consumers:

### 2. Indian Contract Act, 1972:

The Indian Contract Act lays down the conditions that need to be fulfilled by the parties who contract in an agreement. This act regulates the buyers by keeping a legal check on their promise to sell authentic products to the seller. This Act protects the interest of both parties. It takes care that the contract is not breached, else respective remuneration has to be paid for such breach.

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## Legal Protection to Consumers:

### 3. The Sales of Goods Act, 1930:

This protects the rights of the consumers in case the products received by them are sub-standard.

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## Legal Protection to Consumers:

### 4. The Agricultural Produce (Grading and Marking) Act, 1937:

To implement the grading standard and hence monitoring the same whether standard checks are been done to issue the grading. In this, AGMARK is the standard introduced for agricultural goods.

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## Legal Protection to Consumers:

### 5. The Prevention of Food Adulteration Act, 1954:

This act makes sure the purity of the food items and the health of the consumers which could be affected by the adulterated items.

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## Legal Protection to Consumers:

### 6. The Trade Marks Act, 1999:

This Act protects the consumers from the false marks which could mislead them to consume the product, and thus cheat on them by serving less qualified products.

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Rights of Consumers:



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## Rights of Consumers:

- 1. Right to safety:** This rights includes concern for consumer's long term interest as well as for their present requirement.
- 2. Right to Information:** consumer has the right to get information about the quality, purity, standard & price of the goods or services so as to protect himself against the abusive & unfair practices.

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## Rights of Consumers:

**3. Right to choose:** means to choose an assurance of availability, ability & access to variety of products & services at competitive price.

**4. Right to be heard:** if a consumer is exploited then he has the right to be heard and be assured that his interest would receive due consideration.



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## Rights of Consumers:

5. **Right to seek redressal:** The consumer has the right to seek redressal against unfair trade practices or any other exploitation.
6. **Right to consumer education:** it is the right of the consumer to acquire knowledge & skills to be informed to customers.

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## Rights of Consumers:

**7. Right to basic needs:** every citizen has the right to fulfil the basic needs to survive & have dignified living. The basic needs include food, clothing, health, etc.

**8. Right to healthy environment:** the consumers have the right to be protected against environmental degradation.

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## Consumer Responsibilities:



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## Consumer Responsibilities:

- 1. Be knowledgeable:** Be knowledgeable about the numerous items on the market so that you can make an informed and educated decision.
- 2. Standardized products:** Purchase just standardized products to ensure quality. Look for the ISI mark on electrical goods, the FPO label on food products, and the Hallmark on jewellery, among other things.

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## Consumer Responsibilities:

**3. Follow Instructions:** Follow the product's instructions and learn about the hazards linked with it, then use it safely.

**4. Cautious Purchasing:** Carefully read labels for information on prices, net weight, manufacturing, expiration dates, and so on.

**5. Assert Yourself:** Assert yourself to guarantee that you obtain a fair bargain, and fair price of the product.

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## Consumer Responsibilities:

**6. Honesty:** Be truthful in interactions and buy only legal goods and services, thus discouraging buying from sellers who follow unethical methods such as black marketing and hoarding.

**7. Cash Memo:** When purchasing products or services, request a cash memo. This will serve as proof of the transaction.

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## Consumer Responsibilities:

**8. Consumer Societies: Establish consumer societies that will actively participate in consumer education and protection.**

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## Who Can File a Complaint?

- A consumer.
- Any registered consumer association.
- The Central Government or any State Government.
- One or more consumers, on behalf of numerous consumers having the interest.
- A legal heir or representative of a deceased consumer.



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## Ways and Means of Consumer Protection:

- 1. Self-regulation by businesses:** Businesses that value corporate social responsibility adhere to ethical norms and practices while working with customers.
- 2. Business associations:** The FICCI and the CII have established codes of conduct for its members to follow while interacting with clients.
- 3. Consumer Awareness:** A well-informed consumer will be able to speak out against any unethical business activities.

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## Ways and Means of Consumer Protection:

4. **Consumer Organizations:** Consumer organisations play a vital role in informing consumers about their rights and protecting them.
5. **Government:** The government safeguards consumers' interests by establishing various consumer protection regulations.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

**1. DISTRICT FORUM:** District forum are set up in each district by the state concerned.

The important features are:

- a. It consists of a President and two members, one of whom should be a woman, duly appointed by State Govt.
- b. It can receive consumer complaints of not more than Rs. 20 lakhs value.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

- c. On receiving the complaint, the district forum shall refer the complaint to the opposite party concerned and send the sample of goods for testing in a laboratory.
- d. The district forum after being satisfied that goods are defective or there is some unfair trade practice can issue an order to opposite party directing him to either replace or return the price or pay compensation. In case the aggrieved party is not satisfied with the order of district forum. He can appeal before state forum within 30 days of passing an order.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

**2. STATE COMMISSION:** It is set up in each state by the govt. concerned.

The salient features are:

- a. Each commission consists of a president and at least 2 members appointed by state Govt.
- b. Complaints of at least Rs. 20 lakhs but not more than 1 crore can be filed with state commission.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

- c. On receiving the complaint, the state commission can also refer the complaint to opposite party and send the goods for testing in laboratory.
- d. The state commission after being satisfied can order to opposite party to either replace or repay or pay compensation. In case the aggrieved party is not satisfied, they can appeal before national commission within 30 days of passing an order.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

**3. NATIONAL COMMISSION:** It is setup by Central Govt.

The provisions of act are:

- a. It consists of a President and at least 4 members appointed by Central Govt.
- b. All complaints are pertaining to goods and services of value more than Rs. 1 crore can be filed with national commission.

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## Redressal Mechanism Under Consumer Protection Act, 1986:

- c. On receiving the complaint, the national commission can also refer it to opposite party and send goods for testing.
- d. The National Commission has the power to issue orders for replace mentor removal and to pay the compensation for loss.



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**List of Consumer Organisations and Non-Governmental organisations (NGOs) working to defend and promote consumers' interests:**

- **Consumer Coordination Council, Delhi.**
- **Common Cause, Delhi.**
- **Voluntary Organisation in Interest of Consumer Education (VOICE), Delhi.**
- **Consumer Education and Research Centre (CERC), Ahmedabad.**
- **Consumer Protection Council (CPC), Ahmedabad.**

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**List of Consumer Organisations and Non-Governmental organisations (NGOs) working to defend and promote consumers' interests:**

- **Consumer Guidance Society of India (CGSI), Mumbai.**
- **Mumbai Grahak Panchayat, Mumbai.**
- **Karnataka Consumer Service Society, Bangalore.**
- **Consumers' Association, Kolkata.**
- **Consumer Unity and Trust Society (CUTS), Jaipur.**

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