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| Marks : 40 | <b>SYJC Feb' 19</b><br><b>Subject : OC</b><br><b>Consumer Protection / Principal of Management</b> | <b>Duration : 1.5Hours.</b><br><b>SET – A SOLUTION</b> |
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**Q.1. Match the correct pairs:****(05)**

| Group "A" |                             | Group "B" |                                 |
|-----------|-----------------------------|-----------|---------------------------------|
| 1.        | Right to redressal          | a.        | An NGO working for consumer     |
| 2.        | District judge              | b.        | 1986                            |
| 3.        | Mumbai Grahak Panchayat     | c.        | Use of media                    |
| 4.        | Consumer Protection Act     | d.        | Seek legal remedy in the court  |
| 5.        | Creating consumer awareness | e.        | 1985                            |
|           |                             | f.        | Political organization          |
|           |                             | g.        | President of District Forum     |
|           |                             | h.        | Selecting best quality product  |
|           |                             | i.        | Chairman of national Commission |

**Ans. : (1 – d), (2 – g), (3 – a), (4 – b), (5 – c).****Q.2. State with reasons whether the following statements are true or false: (any one) (05)****1.** The Consumer Protection Act was passed in the interest of the Sellers.**Ans :** This statement is false.**Reasons:**

- (a) The Consumer Protection Act came into force from 1986. The Act has for the first time recognized rights of the consumer that is right to safety, right to choose, right to consumer education etc.
  - (b) The Act has made provision for the establishment of Consumer Protection Councils at the Central and State levels for promoting and protecting these rights.
  - (c) The Act has created quasi-judiciary machinery consisting of the District Forum, State Commission and National Commission to entertain complaints and to give fair justice to the aggrieved consumers.
  - (d) The strict enforcement of these rights creates a competition among the sellers. Consequently, the consumers get quality goods at fair prices.
  - (e) All the above rights are in the interest of the consumers and not the sellers.
- Thus, the Consumer Protection Act was passed in the interest of consumers.

**2.** Consumer Protection Act is a blessing for the consumers.**Ans :** This statement is false.**Reasons:**

- (a) In India Consumer Protection Act is very much required.
- (b) The Consumer Protection Act is required to protect the consumers from the wrong practices of the businessmen.
- (c) The business community fails to fulfill their social obligation.
- (d) It is necessary for the government to control the business class. The government can do so with the help of Consumer Protection Act.
- (e) The Consumer Protection Act is required to organize the consumers under one banner.
- (f) The Consumer Protection Act is required to inform and educate the consumers.
- (g) The consumers have to be protected against malpractices.
- (h) The unfair practices of businessmen have to be exposed.
- (i) Monopoly has to be controlled.
- (j) The consumers should be provided with the basic needs.
- (k) Governments felt the need of one comprehensive Act to cover all the problems of consumers and to protect them from malpractices of manufacturers.
- (l) This resulted in passing of Consumer Protection Act which is very much necessary in India.

**Q.3. Short Note on (Any one)****(10)**

1. Explain the various rights of consumers.

**Ans :****(1) Right to Education:**

- (a) This right entitles the consumer to know about consumer rights, market practices and remedies available to them.
- (b) This knowledge creates awareness among consumers and they can protect themselves from unfair trade practices in a better way.
- (c) The government, media as well as various NGOs play a significant role to create awareness among consumers and to educate them e.g. Jago Grahak Jago campaign.
- (d) Consumer awareness and education is very essential to stop malpractices in the market.
- (e) Consumers should be educated about the ways in which they can be cheated, relevant laws which can help them and the procedure involved in taking legal help.

**(2) Right to Safety:**

- (a) It is one of the basic rights of consumers.
- (b) It protects them against the marketing of those goods and services which are hazardous to their life and property.
- (c) In other words, traders should assure that the goods to be sold will not cause any damage to life or property of the consumer.
- (d) If the goods are of hazardous nature, then clear instructions must be given on how to use the goods and also the risk involved in the improper use of the goods.
- (e) Even in case of ordinary goods, care has to be taken.
- (f) e.g. A chemist should not sell the medicines after its expiry date or a hotel owner should not serve stale food to his customers.
- (g) Sometimes, it may happen that the product is found to be hazardous after selling it in the market. In such a situation, the Right to Safety expects the trader to recall the product or to modify it or he should compensate the consumer for the damage.

**(3) Right to Protect Against Spurious Goods:**

- (a) This right has been added to the Consumer Protection Act by the Amendments Act, 2002.
- (b) According to this right, consumers are protected from marketing of spurious and hazardous goods. It protects public health and life.

**(4) Right to Information:**

- (a) According to this right, consumers should get correct information about the price, quality, purity, quantity, ingredients, etc. of the goods to be purchased.
- (b) He should also be properly instructed about the use of the product and risk involved in improper use of the product.
- (c) e.g. The wrapper should contain the information regarding date of manufacture, date of expiry, ingredients used, price etc. or pack of electronic items should contain the Instruction Manual etc.
- (d) This information allows consumers to make the right choice of goods and services.
- (e) It also assures safety of the consumer as well as the article itself.

**(5) Rights to Choose:**

- (a) Today's markets are full of variety of goods.
- (b) The consumer should be able to make a choice from a wide range of products.
- (c) He has a right to choose the goods as per his need and budget.
- (d) Very often, traders use pressure tactics for selling poor quality goods.
- (e) The Right to Choose enables a consumer to select a suitable product from among the available variety in the market at a competitive price.
- (f) This right restricts monopolistic tendencies in the market.
- (g) No seller can compel consumers to buy a particular product or service.

**(6) Right to be Heard:**

- (a) This right assures that consumer grievances and complaints will be heard and will receive due consideration by appropriate forums.
- (b) This right allows a consumer to express his views about the product or service bought by him.
- (c) Every consumer has the right to file a complaint and be heard.
- (d) e.g. A consumer watches an advertisement on TV that promises free home delivery of an article.
- (e) He orders the article by making payment online.
- (f) But at the time of actual delivery of the article the delivery person denies the delivery without paying delivery charges.
- (g) In such a situation, the consumer has every right to file a suit against the seller for the misleading advertisement.

**(7) Right to Healthy Environment:**

- (a) As a human being, the consumer has the right to lead his life in a healthy environment.
- (b) They must have a clean and pollution free environment in the present as well as in the future.
- (c) e.g. If the production process of a manufacturer is creating air and water pollution, then the society can take objection.
- (d) Measures like Public Interest Litigation (PIL) can be used.

**(8) Right to Redressal:**

- (a) Only filing a complaint is not sufficient for a consumer to get justice, so the Right to Redressal is also recognised along with the Right to Represent.
- (b) This right enables a consumer to seek redressal against unfair trade practices or unscrupulous exploitation.
- (c) This right assures proper legal arrangement to attend to his complaint and to get it redressed.
- (d) It is done through Consumer Protection Act, 1986 under which District Forum, State Commission and National Commission is established.
- (e) It entitles the consumer to get due compensation in case of any loss suffered by him.

**(9) Right to Protect against Unfair Trade Practices:**

- (a) As the name suggests, this right offers protection to consumers against any kind of unfair trade practices.
- (b) Consumers can raise their voice against wrong measurements, artificial shortages, exorbitant prices, etc.
- (c) This right was incorporated by the Amendments Act, 1993.

**2. Explain the importance of consumer protection.**

**Ans :** (a) Even though in the modern competitive market, consumer is regarded as the king but in reality he gets exploited by manufacturers and sellers.

They are in superior position than consumers. So, consumers need to be protected.

- (b) Consumer protection means to safeguard the interest of the consumers and allow him to exercise his rights.

- (c) Protection of the interest of consumers with the help of various laws is a recent development. But, history shows that even in ancient times, kings and emperors have taken note of protection of consumer rights.

The following points emphasise the importance of Consumer Protection:

**(1) Lack of information:**

- (a) Today's consumer lives in a complex world.
- (b) Distance between producer and consumer is vast.
- (c) It is impossible to establish direct contact between producer and consumer.

- (d) After globalization and liberalization policy of the government, the market is full of domestic as well as imported products.
- (e) But it is difficult for the consumer to get reliable information about the product before it is purchased.
- (f) He relies on commercials of the product or on trial and error method.
- (g) In both the cases, chances of consumer exploitation are high.

**(2) Lack of participation of consumers:**

- (a) It is observed that certain decisions, which directly affect consumer's interest are taken without any consultation with consumers or their organizations.
- (b) e.g. Charges of daily necessities such as public transport, cooking gas, telephone, electricity, etc.
- (c) Only a strong consumer movement can pressurize various organizations to allow consumer participation in the decision making process.

**(3) Increase in consumption rate:**

- (a) Compared to the earlier period, consumption rate has increased due to increase in population as well as the tendency of the people to lead a comfortable life.
- (b) It results into mass production, many varieties, increased prices, unfair trade practices, etc.
- (c) Such a situation in the market confuses the consumers and they fall prey to exploitation.

**(4) Seller dominant market:**

- (a) If the market is dominated by sellers, then the consumer's choice as well as his welfare gets the last preference.
- (b) All the transactions are finalised in favour of sellers, middlemen and manufacturers.
- (c) e.g. If there is shortage of goods, then the buyer will have to buy a product at the price quoted by the seller.

**(5) Tendency of the consumers:**

- (a) Majority of the consumers get attracted towards the products of cheap prices, discounts, various schemes, etc.
- (b) This weakness of the consumers leads to their exploitation without their knowledge.

**(6) Unorganised Consumers:**

- (a) Consumers are neither organized nor united.
- (b) Compared to them, the producers and sellers are in a superior position.
- (c) An individual consumer cannot fight against powerful traders.
- (d) Thus, it is easy to exploit unorganized and widely spread consumers.

**Q.4. Match the correct pairs:****(05)**

|    | <b>Group "A"</b>              |    | <b>Group "B"</b>                       |
|----|-------------------------------|----|--|
| 1. | Henry Fayol                   | a. | Universal                              |
| 2. | Principle of unity of command | b. | Father of Scientific Management        |
| 3. | Time study                    | c. | Specific                               |
| 4. | F.W. Taylor                   | d. | French engineer                        |
| 5. | Management principles         | e. | Study the time required to do a job    |
|    |                               | f. | German engineer                        |
|    |                               | g. | One man one boss                       |
|    |                               | h. | Study the body movements of the Worker |
|    |                               | i. | Father of nation                       |
|    |                               | j. | One man many bosses                    |

**Ans. : (1 – d), (2 – g), (3 – e), (4 – b), (5 – a)**

**Q.5. Answer in short : (Any Two)****(10)****1. Principles of Authority and Responsibility.**

- Ans :** (a) When the work is assigned to a person, he should be given proper authority to carry out that work.
- (b) e.g. A manager should be given authority to take managerial decisions on his own.
- (c) Then only he can function properly.
- (d) However, authority is always accompanied by responsibility.
- (e) When a person is given the authority, he should be held responsible for the same task.
- (f) Authority and responsibility always go hand in hand.
- (h) If the manager is given the authority to complete a task within a given time, he should be held responsible if he does not do that on time.

**2. Different Piece Rate Plan.**

- Ans :** (a) According to Taylor, there should be discrimination between the efficient and inefficient workers.
- (b) The payment should be made according to the performance of the worker.
- (c) The efficient workers should be paid more whereas inefficient workers should be paid less remuneration.
- (d) In this method a standard is fixed for production.
- (e) Those who produce more than the standard should be paid more in the form of an incentive and those who perform less than the standard should be paid less as penalty.
- (f) This system gives encouragement to those who perform well and motivates those who have underperformed to improve their performance.

**3. unctional Foremanship.**

- Ans :** (a) This technique refers to the guidance given to the worker by a specialist foreman.
- (b) According to this technique, a single worker is supervised by different supervisors.
- (c) For doing a particular job, the worker performs various small tasks.
- (d) While doing this job, he will get the guidance and will be supervised by different superiors for each task.
- (e) This technique is exactly opposite of Fayol's principle of unity of command.
- (f) According to Fayol, there should be one boss for worker but according to this technique for one worker there can be many supervisors.
- (g) Taylor says that work can be done accurately by this technique.
- (h) This method is mainly useful for production department.

**Q.6. Answer the following : (Any One)****(05)****1. What are the significance of principles of management?**

- Ans :** (a) Management principles are applicable in every business organization and in every situation.
- (b) These principles are tested and practiced for years in all parts of the world. Therefore, it is important to study its importance or significance.

**It can be studied with the help of following points:****(1) Management principles help to improve understanding:**

- (a) The principles of management help the manager to understand the organization.
- (b) The study of the principles of management helps to improve the understanding of the situations and problems.
- (c) It further helps the manager to find out the solutions to the problems and handle situations.

**(2) Help to co-ordinate and control:**

- (a) Management principles give the guidelines for better co-ordination and control.
- (b) While practicing management, the managers can make use of these principles to co-ordinate the activities of different departments.
- (c) Manager can exercise better control over the organization.
- (d) Thus, the given target can be achieved easily.

**(3) Research and development:**

- (a) Principles of management are dynamic.
- (b) Their nature goes on changing along with the changes in the business world.
- (c) Over the years, they have been developed to suit the current needs.
- (d) Therefore, these principles give encouragement to research and development in the organization.

**(4) Help to develop the objective approach:**

- (a) The principles of management help the manager to develop an objective approach.
- (b) Thus, the manager can identify the problem in a correct manner and he can provide solutions in an objective manner.
- (c) This approach builds confidence in the minds of the managers.

**(5) Understanding social responsibility:**

- (a) In the modern world, more importance is given to understand the social responsibility of business organizations.
- (b) It is because business organizations are the part of the society.
- (c) Business organizations should not only emphasise on making profit but they should discharge their responsibility towards the society also.
- (d) Management principles help the managers to understand this responsibility.
- (e) They show the ways to fulfil this responsibility.
- (f) e.g. Payment of good remuneration is one of the principles of management which is the responsibility towards employees.

**(6) Help in increasing the efficiency:**

- (a) By using these principles, the organization can increase the efficiency of the employees.
- (b) Principles can guide the managers about handling the human resource, reducing the wastage, coordinate the activities of different departments etc.
- (c) All this helps to improve the productivity in the organization.

**2. Principles of scientific management.**

**Ans : Taylor's principles of scientific management are as follows:**

**(1) Development of Science for each part of men's job:**

- (a) According to this principle, the manager should use the scientific method to determine every activity performed by the employee in the organization.
- (b) For this, he should consider the following points:
  - (i) To calculate the time required for each job by observing the employee.
  - (ii) To determine how much work can an employee perform in a day.
  - (iii) To find out the best way to do a particular job.
  - (iv) Instead of using trial and error method for determining the job, use a systematic way such as data collection, analysis of data and then drawing conclusions.

**(2) Selection, Training and Development of Workers:**

- (a) According to Taylor, selection of employees is an important task before the manager.
- (b) The selection procedure should be perfect and systematic.
- (b) For this purpose, the following points should be considered:
  - (i) The procedure of selection should be scientific. It means the selection should not be based on the judgement of a single person.
  - (ii) The physical, mental, technical or other qualities required for the job should be clearly defined.  
This makes the selection easier.

- (iii) The employees should be selected on the basis of tests and interviews.
- (iv) The employees should be trained from time to time. Training makes employees capable to survive in the job.
- (v) The manager should provide opportunities for development of workers having better capabilities.
- (vi) The manager should develop each employee in such a way that the employee shows maximum efficiency.

**(3) Co-operation between Management and Employees:**

- (a) To achieve the objectives or goals, there should be proper co-operation between the employees and management.
- (b) The relations between them should be harmonious.
- (c) Following points should be noted in this regard:
  - (i) In the organization, the emphasis should be given to co-operation between the management and workers and not to individualism.
  - (ii) The goals can be achieved effectively only by co-operation.
  - (iii) The interest of the management and the workers should be one and the same. They should harmonise.

**(4) Division of Responsibility:**

- (a) While dividing the work, there should be the division of responsibility between the managers and the employees.
- (b) This can be done in the following ways:
  - (i) The nature and roles played by different levels of managers and employees should be determined properly.
  - (ii) The managers should be given the responsibility of planning whereas the workers or employees should concentrate on the execution.
- (c) This principle helps the employees to perform their best.

**(5) Mental Revolution:**

- (a) This principle focuses on the complete change in the attitude of the management and employees as regards their relations are concerned.
- (b) For this change, the following points should be taken into account.
  - (i) The manager should create a suitable working condition for the employees.
  - (ii) All the problems should be solved scientifically.
  - (iii) The employees should perform their jobs carefully and with devotion.
  - (iv) The employees should use the resources carefully. They should not waste the resources.
  - (v) On the other hand management should provide fair remuneration to the employees and boost up their morale. If there is a change in the attitude of the management and the employees it will help in achieving the goals, increase in the production, creating discipline in the organization and creating a sense of belongingness among the employees.

**(6) Maximum Prosperity for Employer and Employees:**

- (a) The aim of scientific management is to give maximum prosperity to the employer and employee.
- (b) However, it is possible with the help of the following points:
  - (i) Each employee should be given proper opportunity to attain his highest efficiency.
  - (ii) The employees should give maximum output.
  - (iii) There should be the optimum utilisation of resources.