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**SUGGESTED SOLUTION**

**SYJC**

**SUBJECT- OC**

**Test Code – SYJ 6115**

**BRANCH - () (Date :)**

**Head Office : Shraddha, 3<sup>rd</sup> Floor, Near Chinai College, Andheri (E), Mumbai – 69.**

**Tel : (022) 26836666**

**ANSWER : 1**

**(03)**

**ANSWER : A**

1. High Court Judge
2. 2002
3. Lok Adalat

**ANSWER : B**

**(02)**

1. Mumbai Grahak Panchayat - An NGO working for consumers
2. Creating consumer awareness - Use of media

**ANSWER : C**

**(05)**

1. State Commission
2. Right to be heard
3. Right to consumer education
4. District Forum
5. Non Governmental organizations (NGOs)

**ANSWER : 2**

**1. District Forum and State Commission**

No.	Points of Distinguish	District Forum	State Commission
1.	Meaning	A consumer dispute redressal forum working at district level	A consumer dispute redressal forum working at state level
2.	Monetary Jurisdiction	It can entertain the cases where the value of goods /services and the compensation claimed is less than rupees twenty lakhs	It can entertain the cases where the value of goods/ services and the compensation claimed is more than rupees twenty lakhs and less than rupees one crore
3.	Duration	Every member should hold office for a term of five years or up to the age of sixty – five years, whichever is earlier.	Every member should hold office for a term of five years or up to the age of sixty – seven years, whichever is earlier.
4.	Nature of Complaints	Only original cases can be entertained which are within the local limits of a district.	It can entertain original cases and also appeals against the order of District Forum within the geographical limits of the state.
5.	Members	Other than president it has minimum two members	Other than president it has minimum two members.
6.	Area Covered	It covers a particular district	It covers a particular state
7.	President	District Judge or equivalent	High Court Judge or equivalent

## 2. State Commission and National Commission

No.	Points of Distinguish	State Commission	National Commission
1.	Meaning	A consumer dispute redressal forum working at state level	A Consumer dispute redressal forum working at national level
2.	Monetary Jurisdiction	It can entertain the cases where the value of goods/ services and the compensation claimed is more than rupees twenty lakhs and less than rupees one crore	It can entertain the cases where the value of goods/ services and the compensation claimed is more than rupees one crore
3.	Duration	Every member should hold office for a term of five years or up to the age of sixty – seven years, whichever is earlier.	Every member should hold office for a term of five years or up to the age of seventy years, whichever is earlier.
4.	Nature of Complaints	It can entertain original cases and also appeals against the order of District Forum within the geographical limits of the state.	It can entertain original cases and also appeals against the order of State Commission.
5.	Members	Other than president it has minimum two members.	Other than president it has minimum four members
6.	Area Covered	It covers a particular state	It covers the entire country
7.	President	High Court Judge or equivalent	Supreme Court Judge or equivalent

ANSWER : 3

(05)

### 1. Responsibilities of consumers.

A responsible consumer is the one who takes active part in consumer protection. While exercising the rights described above a consumer is expected to shoulder responsibilities and take an active role in consumer movement. Responsibilities of consumers are as under :

- (i) **Critical Awareness :** It is the responsibility of the consumer to be alert and question about the price and quality of the goods and services he buys and uses. Consumer should look, listen and ask questions. He should assess the value for money, value for people and the value for environment.
- (ii) **Action :** It is the Consumer's responsibility to be assertive and act to ensure that he gets a fair deal. As long as he remains as a passive Consumer he will continue to be exploited. When something is wrong, one should act to put it right. One should value relationship with others in the community. The Consumer needs to ensure that he does not compromise his culture and customs to get a fair deal.
- (iii) **Social Concern:** It is the responsibility of a consumer to be aware of the impact of his use of goods and services on the citizens, especially disadvantage and powerless groups whether in the local, regional or international community. He needs to make sure that the products and services he uses are not produced in an environment that harms others.
- (iv) **Environmental Concern :** The consumer should understand environmental and other consequences of his consumption. He should recognize his individual and collective responsibility to conserve natural resources and protect the earth for future generations. He needs to make sure that the production, use and disposal of goods and services do not harm the environment.

- (v) **Sustainable Consumption** : The consumer, before buying goods or before availing services should satisfy himself about the need for the same and also should consume only up to his requirement and should not let goods or services go waste.
- (vi) **Working Together** : A consumer should shoulder the responsibility to promote and protect the interest of consumers. One should organize consumers and make them work together for the welfare of all consumers at large.

## 2. State Commission

It is also called as the State Consumer Disputes Redressal Commission. It has to be established by the State government.

### Composition of the State Commission :

- a. **President** : A person who is or has been a judge of a High Court is appointed by the state government. However this appointment is made only after consultation with the Chief Justice of the High Court.
- b. **Member** : Minimum two other members, one of whom shall be a woman. They shall have the following qualifications.
- They should not be less than 35 years of age.
  - They should possess a Bachelors Degree from a recognized university.
  - They should be persons of ability, integrity and standing and have adequate knowledge and experience of at least 10 years in dealing with problems related to economics, law, commerce, accountancy, industries, public affairs or administration.

**Duration** : Every member of the State Commission shall hold office for a term of 5 years or up to the age of 67 years, whichever is earlier. However, members are eligible for reappointment on the recommendation of the Selection Committee.

**Jurisdiction** : Subject to the other provisions of this Act, the State Commission shall have jurisdiction.

- a. **Monetary** : Original cases to entertain complaints where the value of the goods or services and compensation, if any, claimed exceeds rupees twenty lakhs but does not exceed rupees one crore; and
- b. **Appellate** : To entertain appeals against the orders of a District Forum within the State, and
- c. **Supervisory or Revisional** : To call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.

**Transfer of Cases** : On the application of complainant or of its own motion, the National Commission can transfer any pending case from one District Forum to another or from one State Commission to another State Commission. Such a decision is taken in the interest of justice.

**Appeal against Order of State Commission** : Any person who does not agree with the order of the State Commission can appeal to the National Commission within 30 days.

**ANSWER : 4**

**(05)**

## 1. Lok Adalat can rightly be described as “people’s court”

This statement is **True**.

### Reasons:

- (i) Lok Adalat i.e. People’s court is established by the government to settle the disputes by compromise. It is a mock court held by the State authority, District authority, Supreme

- Court Legal Service Committee, High Court Legal Service Committee or Taluka Legal Service Committee.
- (ii) Lok Adalat accepts the cases pending in regular courts to settle them by compromise. For this, both the parties to the case should agree to transfer the case to Lok Adalat from regular court. Even on the application of one of the parties, the court transfers the case to Lok Adalat, if the court feels that there are chances for a compromise.
  - (iii) In Lok Adalat, if a matter cannot be settled through a compromise, then it is returned to regular court. The order passed or resolution of disputes by Lok Adalat is given statutory recognition.
  - (iv) Lok Adalat is one of the several ways to resolve the consumer's problems or grievances. It is also referred as People's Court. Some organisations such as Railways, Electricity Boards, Telephone Exchanges, Insurance Companies in public sector regularly hold Lok Adalat to resolve consumers' problems through compromise.

## 2. Consumer, being the king of the market, does not have any responsibilities

This statement is **False**.

Although consumer is regarded as the king of the market, he has many responsibilities.

### Reasons :

While exercising the rights, consumer is expected to shoulder the following responsibilities :

- (i) The consumer is expected to be alert about the price and quality of goods and services that he purchases for his consumption or use.
- (ii) He should be alert while dealing with the trader. Unless he remains active, he will continue to be exploited.
- (iii) He is expected to make himself aware that his consumption or use does not create any adverse impact on the common citizens.
- (iv) He should not waste the resources through negligence or mishandling. He has to save and conserve natural resources and protect them for the use of future generation.
- (v) He should buy and use the products only up to his requirements.
- (vi) He is expected to shoulder the responsibility to promote and protect the interest of his own and other consumers.
- (vii) He is expected to use or operate the products as per the instructions and directions given in the manual.

**ANSWER : 5**

**(05)**

### 1. Role of NGOs in consumer protection.

Consumer organisations are voluntary groups of people who work for a cause of protecting consumers from hazardous products, false advertising, pollution, etc. They function through protests, campaigns, lobbying, etc. Their main objective is to establish consumer rights. All these organisations are Non – Governmental Organisations i.e. NGOs. They are non – profit and non – political, independent groups working for a definitive cause. They have a constitution and rules of their own. They depend on donations. NGOs work for various social causes, one such cause being consumer protection. They do not have a support of strong social organizations. They make the government take note of consumer grievances. They create awareness among people about their rights and also advise consumers on legal action to be taken in case of loss.

There are many NGOs in India working for consumers. The following are a few examples :

- Consumer Guidance society of India ([www. Cgsiindia. Org](http://www.Cgsiindia.Org))
- Association of Consumer's Action on Safety and Health ([www. Acash.org](http://www.Acash.org))
- Consumer Education and Research Centre ([www.cercindia.orga](http://www.cercindia.orga))
- Mumbai Grahak Panchayat
- Voice Society ([www.consumer – voice. org](http://www.consumer-voice.org))
- Grahak Shakti ([www.grahakshakti.org](http://www.grahakshakti.org))

In general, the following functions are performed by NGOs :

- (i) They undertake various programmes for creating awareness about consumer rights and for educating the general public.
- (ii) They guide consumers in taking legal action in case of damage.
- (iii) An NGO can represent a consumer in front of the government.
- (iv) They arrange for comparative testing of consumer products through their own resources or through reliable laboratories and publish the test results for the information of the general public.
- (v) They publish periodicals and journals to keep consumers informed.
- (vi) They make suggestions and recommendations to government authorities while policy making.
- (vii) Some NGOs file cases in the court of law in the interest of the general public.

## 2. **Ways and Means of Consumer Protection**

Even though we have the Consumer Protection Act and many other legislation passed by the government to protect the interests of consumers, consumer exploitation is not over. As a matter of fact, the judiciary system alone cannot end consumer exploitation. So many other ways and means are adopted for consumer protection. They are as follows :

- a. Lok Adalat :** It is one of the ways to resolve consumer problems. It can also be referred as People's Court. It is established by the government to settle disputes by compromise. It is held by State authority, District authority, Supreme Court Legal Service Committee, High Court Legal Service Committee or Taluka Legal Service. It accepts cases pending in regular courts and can be settled by compromise. However both the parties should agree to transfer the case to Lok Adalat from the regular court or if on the application of one party the court sees any chance of compromise. No court fees are charged. If a matter cannot be resolved by compromise it is returned to the regular court. Resolution of disputes by Lok Adalat gets statutory recognition. Some organisations hold Lok Adalats regularly e.g. Railways, Electricity Boards, Telephone Exchanges, Insurance Companies in public Sector.
- b. Public Interest Litigation (Janahit Yachika) :** Under this scheme any person can approach court of law in the interest of the public. It does not involve any individual interest. Its aim is to provide legal remedy to unrepresented groups of the society. One such group is the consumers. It lies before high court.
- c. Redressal Forums :** Under the Consumer Protection Act, 1986, Consumer Dispute Redressal Agencies have been established by the State and Central Government. These agencies are District Forum, State Commission and National Commission. Supreme Court of India plays the role of the final court of appeal. The main objective of these forums is

to protect the rights of the consumers and to offer speedy and inexpensive redressal for consumer complaints.

- d. Awareness Programmes :** The Government of India has adopted various publicity measures to increase the level of consumer awareness. The government makes use of journals, brochures, posters, etc. to convey the message of consumer protection, consumer courts, etc. The society in general observes World Consumer Rights Day on 15<sup>th</sup> March and National Consumer Day (of India) on 24<sup>th</sup> December. Various consumer related programmes are telecaste on various TV channels. Even all India Radio and FM channels are used for this purpose.
- e. Consumer Organisations :** Many consumer organisations are active throughout the world as well as in India. It was realized that just by talking about moral conduct or about code of fair business practices or even by making legal provisions, it is not possible to discipline all the members of the business community. Instead, it is necessary to strengthen the consumer movement. Thus, more and more consumer organisations are helping the consumers to fight for their rights through protests, campaigning, lobbying, etc.
- f. Consumer Welfare Fund :** It is created by the Department of Revenues for providing financial assistance to voluntary consumer movement, particularly in rural areas. This money is used in consumer education, complaint handling, counseling, guidance, etc.
- g. Legislative Measures :** Indian government has passed many acts to protect consumers. Some of them are Drug Control Act 1950, Prevention of Food Adulteration Act 1954, Essential Commodities Act 1955, The Standards of Weights and Measures Act, etc. An important act was also the Monopolies and Restrictive Trade Practices Act, 1969. However, these acts could not protect consumers in the real sense. So a more elaborate legislation was passed i.e. the Consumer Protection Act in 1986. Under this act a consumer can file a suit against any manufacturer or seller in case of loss due to the use of any product or services.

**ANSWER : 6**

**1. Consumer protection :**

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. Consumer protection means safeguarding the interest of the consumers and allowing him to exercise his rights. 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 extract from the book "Consumer Protection Administration, Organisation and Working" by Cheena Gambhir talks about Consumer Protection in ancient times :

"Arthashastra of Kautilya details the precepts and practices of the Mauryan State where it was the duty of the superintendents to put government products in the market under favourable conditions and to supervise their sales at reasonable rates. Merchants who cheated or interfered generally with the normal functioning of the market (Prices) were open to heavy punishment."

### **Importance of consumer protection :**

- 1. Seller dominant market :** If the market is dominated by sellers then the consumer's choice as well as his welfare gets the last preference. All the transactions are finalized in favour of sellers, middlemen and manufacturers. e.g. if there is shortage of goods then the buyer will have to buy a product at the price quoted by the seller.
- 2. Ignorance of consumers :** Ignorance of consumers about their rights, market conditions, price levels, product details, etc. result into consumer exploitation. Many times consumers do not even realize that they are being cheated. e.g. shopkeeper may sell a product which is actually received by him as free sample, free gifts offered by company may not reach upto the consumer.
- 3. Tendency of the consumers :** Majority of the consumers get attracted towards the products of cheap prices, discounts, various schemes, etc. This weakness of the consumers leads to their exploitation without their knowledge.
- 4. Unorganized Consumers :** Consumers are neither organized nor united. Compared to them the producers and sellers are in a superior position. An individual consumer cannot fight against powerful traders. Thus, it is easy to exploit unorganized and widely spread consumers.
- 5. Nature of Products :** Now a days modern products are the end results of complicated production processes. It is beyond the capacity of poor and illiterate consumers to judge the quality or safety aspects of a product. Moreover these consumers / customers cannot take legal help even though they realize that they are being cheated because they do not understand production process thoroughly.
- 6. Lack of information :** Today's consumer lives in a complex world. Distance between producer and consumer is vast. It is impossible to establish direct contact between producer and consumer. After globalization and liberalization policy of the government, the market is full of domestic as well as imported products. But it is difficult for the consumer to get reliable information about the product before it is purchased. He relies on commercials of the product or on trial and error method. In both the cases chances of consumer exploitation are high.
- 7. Lack of participation of consumers :** It is observed that certain decisions, which directly affect consumer's interest are taken without any consultation with consumers or their organization. e.g. Charges of daily necessities such as public transport, cooking gas, telephone, electricity, etc. Only a strong consumer movement can pressurize various organizations to allow consumer participation in the decision making process.
- 8. Increase in consumption rate :** Compared to earlier period, consumption rate is increased due to increase in population as well as tendency of the people to lead a comfortable life. It results into mass production, many varieties, increased prices, unfair trade practices, etc. Such a situation in the market confuses the consumers and they fall prey to exploitation.
- 9. To restrict unfair trade practices :** When more and more consumers start taking support of Consumer Protection Act (1986) to resolve their grievances then it will automatically pressurize the manufacturers, middlemen and traders for not conducting the trade by unfair means.

**OR**

## Rights of Consumers

Following are the various rights of consumers :

- 1. Right to Safety :** It is one of the basic rights of consumers. It protects them against the marketing of those goods and services which are hazardous to their life and property. In other words, traders should assure that the goods to be sold will not cause any damage to life or property of the consumer. 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. Even in case of ordinary goods, care has to be taken. 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. 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.
- 2. Right to Information :** According to this right, consumers should get correct information about the price, quality, purity, quantity, ingredients, etc. of the goods to be purchased. He should also be properly instructed about the use of the product and risks involved in improper use of the product. e.g. the wrapper should contain the information regarding date of manufacturing, date of expiry, ingredients used, price etc. or pack of electronic item should contain Instruction Manual etc. This information allows consumers to make right choice of goods and services. It also assures safety of consumer as well as the article itself.
- 3. Right to Choose :** Today's markets are full of variety of goods. The consumer should be able to make a choice from a wide range of products. He has a right to choose the goods as per his need and budget. Very often traders use pressure tactics for selling poor quality goods. The Right to Choose enables a consumer to select a suitable product from among the available variety in the market at a competitive price. This right restricts monopolistic tendencies in the market. No seller can compel consumers to buy a particular product or service.
- 4. Right to be heard :** This right assures that consumer grievances and complaints will be heard and will receive due consideration at appropriate forums. This right allows a consumer to express his views about the product or service bought by him. Every consumer has the right to file a complaint and be heard about it. E.g. a consumer watches an advertisement on TV that promises free home delivery of an article. He orders the article by making payment on line. But at the time of actual delivery of the article the person denies the delivery without paying delivery charges. In such a situation the consumer has every right to file a suit against the seller for misleading advertisement.
- 5. Right to Redressal :** Only filing a complaint is not sufficient for a consumer to get justice, so the Right to Redressal is also recognized along with the Right to Represent. The right enables a consumer to seek redressal against unfair trade practices or unscrupulous exploitation. This right assures proper legal arrangement to attend to his complaint and to get it redressed. It is done through Consumer Protection Act, 1986 under which District Forum, State Commission and National Commission is established. It entitles the consumer to get due compensation in case of any loss suffered by him.

- 6. Right to Education :** This right entitles the consumer to know about consumer rights, market practices and remedies available to them. This knowledge creates awareness among consumers and they can protect themselves from unfair trade practices in a better way. The government, media as well as various NGOs can play a significant role to create awareness among consumers and to educate them. e.g. Jago grahak Jago campaign.

Consumer awareness and education are very essential to stop malpractices in the market. 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.
- 7. Right to Healthy Environment :** As a human being the consumer has the right to lead his life in a healthy environment. They must have clean and pollution free environment in the present as well as the future. e.g. if production process of a manufacturer is creating air and water pollution then society can take objection. Measures like Public interest Litigation can be used.
- 8. Right to Protect Against Unfair Trade Practices :** As the name suggests, this right offers protection to consumers against any kind of unfair trade practices. Consumers can raise their voice against wrong measurements, artificial shortages, exorbitant prices, etc. This right was incorporated by the Amendments Act, 1993.
- 9. Right to Protect Against Spurious Goods :** This right has been added to the Consumer Protection Act by the Amendments Act, 2002. According to this right, consumers are protected from marketing of spurious and hazardous goods. It protects public health and life.