

SMIT SIR COMMERCE

GSEB | ENGLISH MEDIUM

ORGANISATION OF COMMERCE AND MANAGEMENT

STANDARD 12

CHAPTER 11

Consumer Protection

Complete Concept Notes | Simple Explanations | Examples | Exam Preparation

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Learn the Concept. Understand the Logic. Write Better Answers.

Chapter at a Glance

The textbook presents consumer protection as a shield against unethical, exploitative and unlawful practices of sellers and manufacturers. It covers the need for protection, consumer rights and responsibilities, the three-tier redressal system, remedies, awareness measures and the role of consumer organisations.

Part	Textbook Area	Core Focus
1	Meaning, Concept & Importance	Why protection is needed
2	Consumer Protection Act - 1986	Consumer meaning, rights and responsibilities
3	Grievance Redressal Organisations	District, State and National levels
4	Available Remedies	Reliefs available to consumers
5	Consumer Awareness	Lok Adalat, PIL, Eco Mark
6	Consumer Organisations / NGOs	Functions and major organisations

EXAM IMPORTANT

High-value areas: importance from business/consumer viewpoints, 6 rights, 9 responsibilities, three-tier redressal system, 11 remedies, Lok Adalat/PIL/Eco Mark, and 12 functions of consumer organisations.

Learning Objectives

- define consumer protection and consumer according to the chapter.
- explain physical/mental, economic and public-interest exploitation.
- explain importance of consumer protection from business and consumer viewpoints.
- explain all six consumer rights and the two additional UNO-recommended rights.
- explain all nine responsibilities of consumers.
- describe District, State and National redressal bodies exactly as presented in the textbook.
- explain all remedies available to consumers.
- explain Lok Adalat, Public Interest Litigation and Eco Mark.
- explain the role and functions of consumer organisations and NGOs.

SMIT SIR'S NOTE

Easy map: Protect -> Know Rights -> Perform Responsibilities -> Complain -> Get Remedy -> Spread Awareness.

11.1 Meaning and Concept of Consumer Protection

Meaning: Consumer protection means providing a shield to consumers from unethical, exploitative and unlawful practices of sellers or manufacturers.

KEY TERM - CONSUMER PROTECTION

Protection of consumers against unfair, exploitative and unlawful business practices.

Concept: Consumers may lack unity, awareness or information about legal measures. Consumer protection therefore includes awareness, legal protection and complaint redressal.

REMEMBER THIS

Consumer protection is not only about court cases. It also includes awareness, prevention, rights, responsibilities and redressal.

11.1.3 Why Consumer Protection is Needed

The textbook broadly groups consumer exploitation into three heads:

Type	Meaning / Example
Physical and Mental Exploitation	Sub-standard or duplicate products can disappoint consumers and may cause physical harm.
Economic Exploitation	Hoarding, black marketing and charging above printed price can cause financial loss.
Against Public Interest	Products/processes may harm environment or wider public welfare.

Meaning of Consumer

According to the chapter's Consumer Protection Act framing, a consumer is a person who obtains goods or services for consideration, including agreed future payment or instalment arrangements. A user may also be treated as consumer when using the product/service with the purchaser's permission.

Excluded in the textbook definition: A person purchasing for resale or further production is not included.

EXAM IMPORTANT

In exams, preserve the textbook logic: consideration/payment + user with purchaser's permission + resale/further production excluded.

Importance of Consumer Protection - Business Viewpoint

1. Use of Public Resources and Wealth

Businesses use society's resources and therefore should produce goods/services useful to society.

2. Social Responsibility

Consumers are key stakeholders, so business must safeguard their interests honestly.

3. Part of the Society

Every business is part of society; fair policies strengthen buyer faith and reduce exploitation.

4. Impression on the Society

Business influences lifestyles, habits, thoughts and standards; ethical conduct therefore matters.

5. Consumer Protection is Good for Business

Satisfied consumers repurchase, recommend products and support business survival in competition.

6. Principle of Trusteeship and Consumer Protection

Wealth and resources should be used for social welfare; the textbook connects this with Gandhian trusteeship and the importance of serving consumers.

Importance of Consumer Protection - Consumer Viewpoint

1. Extensive Exploitation of Consumers: Sub-standard, adulterated or duplicate goods, misleading advertisements, black marketing, hoarding and other unethical policies create the need for protection.
2. Ignorance of Consumers: Consumers may not know their legal rights/procedures or may hesitate to take legal steps.
3. Lack of Unity among Consumers: An individual consumer may be weak, but organised consumer groups can protect interests more effectively.

EXAM IMPORTANT

Business viewpoint has 6 points; consumer viewpoint has 3 points.

11.2 Consumer Protection Act - 1986

The chapter describes the Consumer Protection Act, 1986 as a major legal measure for protecting consumer rights against defective products, deficient services and exploitative business practices.

SMIT SIR'S NOTE

These notes follow the textbook's Consumer Protection Act - 1986 framework and monetary limits as printed in the chapter, because that is the prescribed source for this exam.

11.2.2 Rights of Consumers

No.	Right	Core Meaning
1	Safety	Protection from products harmful to health/safety.
2	Information	Complete information about ingredients, date, price, quality, purity, directions etc.
3	Choice	Freedom to choose goods/services at competitive price and suitable conditions.
4	Representation	Right to complain and have the consumer's voice represented.
5	Redressal	Right to appropriate relief for defective goods/deficient services.
6	Consumer Education	Right to know rights, remedies and correct purchase practices.

REMEMBER THIS

Six rights: Safety - Information - Choice - Representation - Redressal - Consumer Education.

1. Right to Safety

Protection from products that can harm health or life.

Example: Use standardised, good-quality electrical appliances.

2. Right to Information

Right to know ingredients, manufacturing date, directions, price, quality, purity and other relevant information.

Example: A food pack should show proper product information.

3. Right to Choice

Right to choose among goods/services and receive suitable quantity, place, time and competitive price.

Example: A buyer can compare different two-wheelers by brand, price, design and features.

4. Right to Representation

If dissatisfied, the consumer has the right to complain and seek representation through complaint-redressal systems.

Example: A consumer approaches a consumer organisation for help in filing a complaint.

5. Right to Redressal

Right to obtain appropriate relief such as repair, replacement or compensation when justified.

Example: A defective appliance may be replaced or repaired.

6. Right to Consumer Education

Right to remain informed about quality, price, legal relief and consumer rights throughout life.

Example: Awareness programmes teach consumers how to identify sub-standard goods.

Additional Rights Recommended through UNO Directive

1. Basic Needs: Right to goods and services necessary for a decent living.
2. Hygienic Environment: Right to protection from pollution and to a quality environment with clean air, water, food and land.

Responsibilities of Consumers

No.	Responsibility
1	Conscious Use of Rights
2	Beware of Misleading Advertisements
3	Care During Purchase
4	Solicit for a Bill
5	Solicit a High Quality
6	Registration of Genuine Complaints
7	Spread of Consumerism
8	Environmental Protection
9	No Involvement in Unethical Activities

1. Conscious Use of Rights

Consumers should know and consciously use the rights legally available to them.

2. Beware of Misleading Advertisements

Consumers should compare claims with actual product information and not blindly trust misleading advertisements.

3. Care During Purchase

Check manufacturer details, quality, quantity, price, expiry, ingredients, weight, warranty/guarantee and other conditions.

4. Solicit for a Bill

Always ask for a bill as proof of purchase; it is important when filing a complaint.

5. Solicit a High Quality

Prefer quality-controlled/standardised products and check appropriate quality marks/certification.

6. Registration of Genuine Complaints

Register genuine rights violations; do not ignore exploitation, but also do not misuse rights for exaggerated claims.

7. Spread of Consumerism

Participate in consumer-protection and awareness activities.

8. Environmental Protection

Dispose waste responsibly and avoid creating pollution after using products.

9. No Involvement in Unethical Activities

Consumers should not participate in black marketing, hoarding or other unethical practices.

EXAM IMPORTANT

A strong responsibilities answer should include all 9 textbook responsibilities with one explanation each.

11.2.3 Grievance Redressal Organisations

The chapter gives a three-tier redressal system: District Level Forum, State Level Commission and National Level Commission.

Level	Textbook Monetary Limit / Role
District Level Forum	Disputed product/service price and compensation demanded: Rs. 20 lakh or less.
State Level Commission	More than Rs. 20 lakh and up to Rs. 1 crore; also hears appeals from District Forum.
National Level Commission	More than Rs. 1 crore; also hears appeals from State Commission.

SMIT SIR'S NOTE

The monetary limits above are reproduced from the textbook chapter for source-faithful exam preparation.

A. District Level Forum

- Basic / primary level set up by the State Government.
- At least three members; one President and at least one woman member.
- President should be legally qualified/experienced as described by the source.
- Textbook jurisdiction: price + compensation demanded of Rs. 20 lakh or less.
- Complaint is sent to the opposite party; product may be sent for laboratory testing if required.
- Both parties are heard and dispute is decided using statements/evidence/lab report where relevant.
- Appeal can be made to State Level Commission within 30 days if dissatisfied.

B. State Level Commission

- Set up by the State Government.
- At least three members including a President and at least one woman member.
- Textbook jurisdiction: more than Rs. 20 lakh and up to Rs. 1 crore.
- Also hears appeals against District Level Forum decisions.
- May send product for laboratory testing when needed.
- Appeal against its judgement can be made to National Level Commission within 30 days.

C. National Level Commission

- Set up by the Central Government.
- At least five members including one President; the source states the President is an existing/retired Supreme Court judge and at least one woman member is included.
- Textbook jurisdiction: more than Rs. 1 crore.
- Also hears appeals against State Level Commission decisions.
- If dissatisfied with National Commission judgement, appeal can be made to the Supreme Court within due course/time.

REMEMBER THIS

Appeal flow: District -> State -> National -> Supreme Court.

11.2.4 Available Remedies / Reliefs

- 1. Remove defects in the product or service.
- 2. Refund money for defects in the product or service.
- 3. Exchange defective product with a new/fresh product.
- 4. Compensate consumer for loss or injury caused by seller's negligence.
- 5. Impose penalty on seller where the case demands.
- 6. Stop unfair/prohibitive business practices and order that they not be repeated.
- 7. Stop production and sale of harmful products.
- 8. Stop harmful products from being sold.
- 9. Where defective product/deficiency is found, order the textbook-specified amount/deposit toward Consumer Protection Fund or specified purpose.
- 10. Remove misleading advertisements and introduce improved advertisements.
- 11. Order reasonable payment/compensation to the affected consumer.

EXAM IMPORTANT

The chapter lists 11 remedies. Learn them as: Repair/Remove -> Refund -> Replace -> Compensate -> Penalise -> Stop unfair practice -> Stop harmful goods -> Fund -> Correct misleading ads -> Pay affected consumer.

11.3 Means and Methods of Consumer Awareness

The chapter explains that consumers, industrial units, government and private institutions all contribute to consumer awareness. It notes that 15 March is celebrated as World Consumer Rights Day.

Main methods explained: Lok Adalat, Public Interest Litigation and Eco Friendly Products / Eco Mark.

1. Lok Adalat

Lok Adalat is presented as a quick and low-cost mechanism where some industrial/service organisations may arrange forums for genuine consumer complaints and attempt settlement at the local level.

Example in the source: BSNL is mentioned as organising Lok Adalat frequently.

2. Public Interest Litigation - PIL

PIL is used where an issue affects society or a wider group rather than only one individual. An affected person, group or concerned citizen may approach the High Court or Supreme Court through an application; if accepted, the matter may be treated as a case.

KEY TERM - PIL

Public Interest Litigation - legal action concerning a matter affecting public or wider social interest.

3. Eco Friendly Products / Eco Mark

The chapter explains that products creating very little pollution may be allowed to use the Eco Mark given by the Environment Department of the Government of India.

Purpose: Encourage consumers to purchase environment-friendly products and give momentum to industries that protect the environment.

REMEMBER THIS

Eco Mark connects consumer choice with environmental protection.

Role of Consumer Unions and NGOs

The chapter describes consumer unions and non-government organisations as non-profit bodies working to maintain and protect consumer welfare, often independently of direct government interference.

Functions:

- Educate consumers through seminars, conferences and workshops.
- Publish periodicals, notices and booklets on rights, legal awareness and compensation.
- Provide comparison and quality-analysis information about products/services.
- Provide legal information and assistance with formalities.
- Support consumers against unethical, exploitative and unfair selling practices.
- Register complaints in consumer courts to protect consumer interest.
- Assist consumers who want to complain in Consumer Court.
- Compile and publish consumer-satisfaction information.
- Release films/information for consumer education.
- Organise consumer-education programmes in schools and colleges.
- Create awareness against food adulteration.
- Support government institutions engaged in consumer awareness.

Important Consumer Organisations Mentioned in the Textbook

Organisation	Location / Note
Consumer Education and Research Centre (CERC)	Ahmedabad
Consumer Protection Council (CPC)	Ahmedabad
Voluntary Organisation in Interest of Consumer Education (VOICE)	Delhi
Consumer Guidance Society of India (CGSI)	Mumbai
Consumer Unity and Trust Society (CUTS)	Jaipur
Consumer Co-ordination Council (CCC)	Delhi - co-ordinates work of various consumer-protection institutions
National Consumer Helpline (NCH)	Consumer-awareness support mentioned with Government of India's consumer department

SMIT SIR'S NOTE

The chapter also refers to Government of India's consumer-awareness campaign under the heading 'Jago Grahak Jago'.

Rights vs Responsibilities - Quick Comparison

Rights of Consumer	Responsibilities of Consumer
Safety	Conscious use of rights
Information	Beware of misleading ads
Choice	Care during purchase
Representation	Solicit for a bill
Redressal	Solicit high quality
Consumer Education	Register genuine complaints
UNO: Basic Needs / Hygienic Environment	Spread consumerism / Environmental protection / Avoid unethical activities

Chapter Glossary

Term	Simple Meaning
Consumer Protection	Shield against unfair, exploitative and unlawful practices.
Consumer	Person obtaining goods/services for consideration under the chapter's legal framing.
Right to Safety	Protection from harmful goods/services.
Right to Information	Right to complete product/service information.
Right to Choice	Freedom to choose among alternatives.
Right to Representation	Right to complain and be heard.
Right to Redressal	Right to appropriate relief.
Consumer Education	Right to know consumer rights and remedies.
Lok Adalat	Quick/low-cost dispute-redressal forum described in the chapter.
PIL	Public Interest Litigation.
Eco Mark	Mark for environment-friendly products as explained in the source.
Consumer Forum	Consumer grievance-redressal institution.
NGO	Non-Government Organisation working for consumer welfare.

Common Mistakes Students Make

COMMON MISTAKE

Wrong idea: Consumer protection means only filing a court case.

Correct idea: It also includes awareness, rights, responsibilities, prevention and redressal.

COMMON MISTAKE

Wrong idea: Consumer rights can be used without responsibility.

Correct idea: The chapter explicitly connects rights with responsibilities.

COMMON MISTAKE

Wrong idea: Right to Information and Right to Education are the same.

Correct idea: Information concerns product/service details; consumer education concerns knowledge of rights/remedies.

COMMON MISTAKE

Wrong idea: A consumer should never complain about a small issue.

Correct idea: The chapter asks consumers to register genuine complaints rather than ignore rights violations.

COMMON MISTAKE

Wrong idea: District, State and National bodies are unrelated.

Correct idea: They form a three-tier appeal/redressal system.

COMMON MISTAKE

Wrong idea: The textbook monetary limits are current law.

Correct idea: These notes reproduce the textbook's 1986-Act framework for exam preparation; the source itself is the basis here.

COMMON MISTAKE

Wrong idea: Publicity and consumer awareness are the same.

Correct idea: Consumer awareness includes legal education, Lok Adalat, PIL, Eco Mark and organisational efforts.

COMMON MISTAKE

Wrong idea: NGOs only publish booklets.

Correct idea: The chapter gives 12 functions including education, legal aid, complaints and research/information.

How to Write Major Answers in the Exam

Q1. Explain Importance of Consumer Protection

Best structure: Meaning -> Business Viewpoint (6) -> Consumer Viewpoint (3).

Q2. Explain Rights of Consumers

Best structure: Six rights in order + two UNO-recommended rights separately.

Q3. Explain Responsibilities of Consumers

Best structure: Write all 9 responsibilities with 1-2 lines each.

Q4. Explain Three-Tier Redressal System

Best structure: District -> State -> National -> appeal route.

Q5. Explain Available Remedies

Best structure: Number all 11 remedies clearly.

Q6. Explain Role of Consumer Organisations / NGOs

Best structure: Meaning -> 12 functions -> examples of major organisations.

Practice Set A - MCQs

1. Consumer protection mainly protects consumers from:

- A. exploitative and unlawful practices
- B. only production
- C. only transport
- D. only finance

2. Which is a consumer right?

- A. Safety
- B. Hoarding
- C. Black marketing
- D. Resale

3. Right to know ingredients and price is:

- A. Right to Information
- B. Right to Choice
- C. Right to Safety
- D. Right to Resale

4. Freedom to select among alternatives is:

- A. Right to Choice
- B. Right to Information
- C. Right to Safety
- D. Right to Production

5. Right to complain is connected with:

- A. Representation
- B. Storage
- C. Insurance
- D. Production

6. Repair/replacement/compensation is connected with:

- A. Redressal
- B. Choice
- C. Branding
- D. Promotion

7. Which is a consumer responsibility?

- A. Ask for a bill

- B. Hoard goods
- C. Buy in black market
- D. Ignore expiry date

8. Which additional right is mentioned through UNO directive?

- A. Basic Needs
- B. Right to Hoarding
- C. Right to Resale
- D. Right to Monopoly

9. Which level is the basic/primary redressal level in the textbook?

- A. District Level Forum
- B. National Commission
- C. Supreme Court
- D. RBI

10. Appeal from District Forum goes to:

- A. State Level Commission
- B. RBI
- C. SEBI
- D. Stock Exchange

11. Appeal from State Commission goes to:

- A. National Level Commission
- B. District Forum
- C. RBI
- D. SEBI

12. Eco Mark is connected with:

- A. eco-friendly products
- B. financial market
- C. recruitment
- D. staffing

13. PIL stands for:

- A. Public Interest Litigation
- B. Product Information Label
- C. Public Insurance Law
- D. Price Index Limit

14. 15 March is celebrated in the chapter as:

- A. World Consumer Rights Day
- B. World Finance Day
- C. Labour Day
- D. Marketing Day

15. CERC mentioned in the chapter is located in:

- A. Ahmedabad
- B. Delhi
- C. Mumbai
- D. Jaipur

Practice Set B - Conceptual MCQs

16. A consumer receives a defective mixer and asks for a fresh unit. Which remedy?

- A. Replacement
- B. Hoarding
- C. Resale
- D. Publicity

17. A seller refuses to give purchase proof. Which responsibility should the buyer insist on?

- A. Solicit for a Bill
- B. Spread Consumerism
- C. PIL
- D. Eco Mark

18. An advertisement makes a claim that does not match the actual product. What should the consumer be cautious about?

- A. Misleading Advertisement
- B. Right to Resale
- C. Capital Structure
- D. Staffing

19. A person files a matter affecting a large section of society. Which legal method?

- A. PIL
- B. Branding
- C. Personal Selling
- D. Stock Exchange

20. A low-pollution product receives an environmental mark. Which one?

- A. Eco Mark
- B. Demat
- C. ISIN only
- D. Treasury Bill

21. A consumer group conducts seminars and legal-awareness workshops. Which role?

- A. Consumer Organisation / NGO
- B. Stock Exchange
- C. RBI
- D. Wholesaler

22. The textbook says consumer organisations can publish product-comparison reports. Main purpose?

- A. Consumer awareness
- B. Black marketing
- C. Production control
- D. Advertising only

23. A consumer is injured due to seller negligence. Which remedy may be granted?

- A. Compensation
- B. Hoarding
- C. Price rise
- D. Resale

24. A misleading advertisement is ordered to be withdrawn. This is:

- A. Consumer remedy
- B. Consumer exploitation
- C. Sales promotion
- D. Warehousing

25. A buyer knowingly participates in black marketing. Which responsibility is violated?

- A. No involvement in unethical activities
- B. Right to information
- C. Right to choice
- D. Consumer education

MCQ Answer Key

Q	Ans
1	A
2	A
3	A
4	A
5	A
6	A
7	A
8	A
9	A
10	A
11	A
12	A
13	A
14	A
15	A
16	A
17	A
18	A
19	A
20	A
21	A
22	A
23	A
24	A
25	A

Exam Question Bank - One Sentence

- What is consumer protection?
- Who is a consumer according to the chapter?
- State the six rights of consumers.
- State the two additional rights recommended through UNO directive.
- What is Lok Adalat?
- What is PIL?
- What is Eco Mark?
- Give the full form of CERC.
- Give the full form of CGSI.
- Give the full form of NCH.

Exam Question Bank - Short Answers

- Explain any three reasons for the need of consumer protection.
- State any four responsibilities of consumers.
- Explain Right to Information.
- Explain Right to Redressal.
- State the three levels of consumer dispute redressal.
- Explain any four remedies available to consumers.
- Explain Lok Adalat and PIL.
- State any four functions of consumer organisations/NGOs.

Exam Question Bank - Long Answers

- Explain the importance of consumer protection from the viewpoint of business and consumers.
- Explain the rights and responsibilities of consumers.
- Explain the three-tier grievance-redressal system.
- Explain the remedies available to consumers.
- Explain means and methods of consumer awareness.
- Explain the role and functions of consumer organisations and NGOs.

Application / Case-Based Practice

Case 1

A consumer receives an electrical appliance that is dangerous to use. Which right is involved?

Answer: Right to Safety.

Case 2

A food packet does not show ingredients or manufacturing date. Which right is violated?

Answer: Right to Information.

Case 3

A consumer cannot choose because only one seller is forcing a product. Which right?

Answer: Right to Choice.

Case 4

A consumer wants to lodge a complaint about deficient service. Which right?

Answer: Right to Representation / Redressal.

Case 5

A defective product is exchanged with a fresh product. Which remedy?

Answer: Replacement.

Case 6

A group approaches the High Court regarding a matter affecting society. Which mechanism?

Answer: Public Interest Litigation (PIL).

Case 7

A product carries the environmental mark described in the chapter. Which mark?

Answer: Eco Mark.

Case 8

A consumer NGO holds school workshops about consumer rights. Which role?

Answer: Consumer Education / Awareness.

5-Minute Chapter Revision

Consumer Protection: Shield against unethical, exploitative and unlawful practices.

Importance - Business: Public resources, social responsibility, society, impression, good for business, trusteeship.

Importance - Consumer: Exploitation, ignorance, lack of unity.

6 Rights: Safety, Information, Choice, Representation, Redressal, Consumer Education.

UNO Additional Rights: Basic Needs, Hygienic Environment.

9 Responsibilities: Use rights, beware ads, care during purchase, bill, quality, genuine complaint, consumerism, environment, avoid unethical acts.

Redressal: District -> State -> National -> Supreme Court.

Awareness: Lok Adalat, PIL, Eco Mark.

Consumer Organisations: Education, publications, comparisons, legal aid, complaints, awareness.

EXAM IMPORTANT

Ultra-short memory: Know your rights, perform your responsibilities, keep proof, complain genuinely, seek redressal.

One-Page Master Revision Sheet

Topic	Must Remember
Meaning	Protection from unfair/exploitative/unlawful practices
Business Importance	6 textbook points
Consumer Importance	3 textbook points
Rights	6 rights
UNO Rights	Basic Needs + Hygienic Environment
Responsibilities	9 responsibilities
District Forum	Textbook: up to Rs. 20 lakh
State Commission	Textbook: > Rs. 20 lakh to Rs. 1 crore
National Commission	Textbook: > Rs. 1 crore
Remedies	11 textbook remedies
Awareness	Lok Adalat, PIL, Eco Mark
NGOs	12 textbook functions
Examples	CERC, CPC, VOICE, CGSI, CUTS, CCC, NCH

Have You Mastered This Chapter?

- ☐ I can define consumer protection and consumer.
- ☐ I can explain all business and consumer importance points.
- ☐ I can write all 6 rights and 9 responsibilities.
- ☐ I can explain the three-tier redressal system.
- ☐ I can explain all 11 remedies.
- ☐ I can explain Lok Adalat, PIL and Eco Mark.
- ☐ I can explain the role of consumer organisations and NGOs.
- ☐ I can solve MCQs and cases without guessing.

CHAPTER 11 COMPLETE

Consumer Protection

SMIT SIR'S FINAL MESSAGE

Consumer protection works only when consumers are aware, responsible and willing to act. The chapter therefore combines legal rights with consumer duties, redressal institutions and awareness organisations.

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