

# QB365 Question Bank Software Study Materials

## Consumerism Important 2,3 & 5 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 75

### 2 Marks

10 x 2 = 20

1) Who is a consumer?

**Answer :** A consumer is one who consumes goods manufactured and sold by others or created by nature (air, water and natural resources) and sold by others. One who avails services such as banking, transport, insurance, etc. is also called consumer.

2) Give two examples of adulteration.

**Answer :** (i) Mixing of stones with grains.  
(ii) Mixing of coconut oil with palmolein.  
(iii) Coffee powder is adulterated with tamarind seed.  
(iv) Chilli powder is adulterated with brick powder.

3) What is Caveat Emptor?

**Answer :** 'Caveat emptor' is a Latin term which means "let the buyer beware." In other words, the principle of caveat emptor serves as a warning to the buyers that they have no recourse with the seller if the product does not meet their expectations.

4) What is Caveat Venditor?

**Answer :** Caveat venditor means "let the seller beware," by which goods are covered by an implied warranty of merchantability. Unless otherwise advertised (for example, "sold as is") or negotiated with the buyer, nearly all consumer products are guaranteed to work, if used for their intended purpose.

5) Write a short notes on Consumer Protection Act, 1986.

**Answer :** (i) The Central Government enacted a comprehensive law called the Consumer Protection Act in 1986.  
(ii) This Act came into force with effect from 15.04.1987. This Act was further amended in 1993.  
(iii) The Act is referred in short as 'COPRA'.  
(iv) The act provides safeguards to consumers against defective goods, deficient services, unfair trade practices and other forms of their exploitation.

6) Define Consumerism.

**Answer :** "Consumerism is an attempt to enhance the rights and powers by buyers in relation to sellers"- L. Massie

7) Definition of consumer.

**Answer :** Under section 2(1)d "Consumer means any person who buys any goods or avails services for personal use, for a consideration".

8) Write a note on 'Artificial Scarcity'.

**Answer :** One of the way by which consumers are being exploited is 'Artificial Scarcity'. In milk books and in cinema house use find 'No Stock' and 'House full' board outside. But milk and cinema tickets are available at a higher price in the black market.

9) Describe the term 'COPRA'.

**Answer :** (i) Sensing the pressure mounting from various consumer protection groups and consumers themselves.  
(ii) The Central Government enacted a comprehensive law called the Consumer Protection Act in 1986.  
(iii) This Act is referred in short as 'COPRA'.

10) What do you mean by Consumer Grievances?

**Answer :** Where the business enterprises have customer care department. it should handle the grievances of consumer

immediately or within a definite time frame.

**3 Marks**

10 x 3 = 30

11) What are the important legislations related to consumerism in India? (any 3)

**Answer :** The Indian contract Act, 1872

(i) The sale of goods Act, 1930

(ii) The Essential commodities Act, 1955

(iii) The Agricultural Products Grading and Marketing Act, 1937

(iv) Prevention of Food Adulteration Act, 1954

(v) Weight and Measures Act, 1976

12) What is meant by artificial scarcity?

**Answer :** (i) There are certain situations where the shop-keepers put up the board 'No Stock' in front of their shops, even though there is plenty of stock in the store.

(ii) In such situations consumers who are desperate to buy such goods have to pay hefty price to buy those goods and thus earning more profit unconscientiously.

(iii) Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market.

13) Write the importance of consumerism. (any 3)

**Answer :** The importance of consumerism lies in

(i) Awakening and uniting consumers.

(ii) Discouraging unfair trade practices.

(iii) Protecting against exploitation.

(iv) Awakening the government.

(v) Effective implementation of consumer protection laws.

14) Which are the three constituent elements of business?

**Answer :** The three constituent elements of business are

(i) Product Information

Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc

(ii) Guarantees for Good Quality:

Business enterprises should not give false warranty for the products. It should ensure supply of good quality.

(iii) Truth in advertising:

Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

15) What is the role of Government in consumer protection?

**Answer :** i) Government should assure an active role in safeguarding the consumers.

ii) Government both the central and the state have brought out a number of legislations to protect the interest of consumers across the country.

iii) Despite the existence of legal system to protect the consumers, consumers in India are still illiterate and passive.

iv) Law enforcement authorities should see that penal clause is not mere paper jaws they should string the offenders mercilessly.

16) What are the consumer oriented legislation in India?

**Answer :** (i) The Indian Contract Act, 1872 was passed to bind the people on the promise made in the contract.

(ii) The Sale of Goods Act, 1930: This Act protects consumers against sellers not complying with expressed and implied warranties in the sale contract.

(iii) The Agricultural Products Grading and Marketing Act, 1937 ensures the supply of agricultural commodities at high quality.

17) What are the functions of the consumer clubs in schools?

**Answer :** The following basic structure of functioning is recommended:

- (i) Monthly meetings and demonstrations for one hour after school hours on the First Thursday of each month. Each month a topic/activity may be scheduled as in the model calendar.
- (ii) Days of National and International importance to consumers may be celebrated in the School/College. Poster/ Speech / Essay competitions can be organised at school level by the Consumer Club to sensitise the students on the importance of the day.
- (iii) Field visits to local markets / Consumer Courts and door to door campaign in the local community etc., may be organized for at least 4 days in a year. It can be done on Saturdays with prior arrangement.
- (iv) Minutes of each activity have to be recorded by the Student and Teacher Co-ordinator jointly as properly document.

18) Explain the importance of consumer protection.

- Answer :**
- (i) Consumer protection has a wide agenda. It not only purports to educate consumers about their rights and responsibilities, but also helps in getting their grievances redressed.
  - (ii) It provides judicial machinery for protecting the interests of consumers to come together and organise themselves into consumer associations for protection and promotion of their interests.
  - (iii) consumer protection has a special significance.

19) Describe the Evolution of Consumerism

- Answer :**
- (i) The major causes of consumerism in India have been identified as rising prices, poor product performance and service quality, product storage and deceptive advertising and inflation.
  - (ii) Government has been very responsive to the consumer needs through legislative actions.
  - (iii) Economic discontent has been generated out of spiralling inflation.
  - (iv) Thus it has become necessary for the consumers to stand up for their rights through effective organisation in order to redress the grievances.
  - (v) The word consumerism came into existence in the year 1960.

20) What is Duplicate or Spurious goods?

- Answer :**
- (i) Duplicate products of popular products are illegally produced and sold.
  - (ii) Duplicates are available.in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, etc.
  - (iii) A consumer is not in a position to distinguish duplicate form the original.

**5 Marks**

5 x 5 = 25

21) How consumers are exploited? (any 5)

**Answer :** Consumers are exploited in many ways. Some of them are given below:

- (i) Selling at higher price:**The price charged by the seller for a product/ service may not be commensurate with the quality but at times it is more than the fair price.
- (ii) Adulteration:** It refers to mixing or substituting undesirable material in food.This causes heavy loss to the consumers.Adulteration is quite common in food articles.For example : Mixing of stones with grains,coffee powder is adulterated with tamarind seed,etc.
- (iii) Duplicate or spurious goods:** Duplicate products of popular products are illegally produced and sold. Duplicates are available in plenty in the market for every original and genuine parts or components like automobile spare parts, blades, pens, watches, radios, medicines, jewellery, clothes and even for currency notes. A consumer is not in a position to distinguish duplicate from the original.
- (iv) Artificial Scarcity:** There are certain situations where the shop-keepers put up the board "No Stock" in front of their shops, even though there is plenty of stock in the store. Even in Cinema houses, board may hang in the main entrance 'House Full' while cinema tickets will be freely available at a higher price in the black market.
- (v) Sub-standard:** On opening a packet or sealed container one may find the content to be of poor quality.Thus gullible consumers are easily and legally cheated.
- (vi) Warranty and Services:** In case of consumer durable goods like televisions, washing machines, refrigerators, cars, two wheelers and air conditioners etc. free service is guaranteed only for few years called warranty period. But in reality free service is denied on flimsy grounds even during the warranty period.

22) Explain the role of business in consumer protection.(any 5)

**Answer :**

**(i) Avoidance of Price Hike:** Business enterprises should desist from hiking the price in the context of acute shortage of goods /articles.

**(ii) Avoidance of Hoarding:** Business enterprises should allow the business to flow normally. It should not indulge in hoarding and black marketing to earn maximum possible profit in the short term at the cost of consumers.

**(iii) Guarantees for Good Quality:** Business enterprises should not give false warranty for the products. It should ensure supply of good quality.

**(iv) Product Information:** Business enterprises should disclose correct, complete and accurate information about the product viz. size, quality, quantity, substances, use, side effects, precautions, weight, exchange, mode of application etc.

**(v) Truth in advertising:** Business enterprises should not convey false, untrue, bogus information relating to the product through the advertisements in media and thus mislead the consumers.

**(vi) protection from the Hazard:** Business enterprises should not market the product which is potentially hazardous and harmful. As regards food items, business enterprises should withdraw spoiled and contaminated food items.

23) What are the objectives of Consumer Protection Act, 1986? (any)

**Answer :** Following are the objectives of consumer protection Act, 1986

(i) Protection of consumers against marketing of goods which are hazardous and dangerous to life and property of consumers.

(ii) Providing correct and complete information about quality, quantity, purity, price and standard of goods purchased by consumers.

(iii) Protecting consumers from unfair trade practices of traders.

(iv) Empowering consumers to seek redressal against exploitation.

(v) Educating the consumer of their rights and duties.

(vi) Ensuring better standard of living for consumers by providing them with quality products at fair price.

24) What are the salient features of the Consumer Protection Act, 1986?

**Answer :** The salient features of the Indian Consumers Protection Act, 1986 are listed below:

(i) Protection Act, 1986 are listed below: Protecting consumers against products and services which are harmful to the health of consumers.

(ii) Protecting consumers from the breach of contract by sellers /manufacturers.

(iii) Ensuring consumers of supply of goods of fair quality.

(iv) Safeguarding consumers against misleading and untrue messages communicated through advertisement.

(v) Ensuring that consumers are charged fair price.

(vi) Ensuring uninterrupted supply of goods.

(vii) Ensuring the availability of goods in correct quantity and right size.

(viii ) Protecting the consumers against unfair trade practices of unscrupulous trader.

(ix) Protecting the consumers against pollution of various kinds.

(x) Protecting consumers against the evil effect of competition.

25) Describe the Origin, evolution and growth of consumerism.

**Answer : Origin:**

(i) In the beginning of 20th century industrial economy reached a boom state

(ii) The early 20th century marked a period of reform and expansion in many areas as well.

(iii) Industrial reform for consumers would be an answerable to inconsistencies that existed between product, price and consumer satisfaction.

**Evolution of Consumerism:**

(i) The major causes of consumerism in India have been identified as rising prices, poor product performance and service quality, product shortages and deceptive advertising and inflation.

(ii) Government has been very responsive to the consumer needs through legislative actions.

(iii) Economic discontent has been generated out of spiralling inflation.

**Growth:**

(i) Consumerism or consumer movement is an outcome of sufferings, and exploitations of consumers.

(ii) It intends to shield the consumers from commercial terrorism and exploitative practices.

(iii) Its aim is to safeguard their interests by establishing their rights and powers in relation to products and sellers.