

Concepts, Importance of Consumer Protection & Framework for Consumer Protection in India

3 Marks Question

9. State any three points of importance of consumer protection from the point of view of business. (Compartment 2014)

Ans. A business must lay emphasis on consumer protection because of the following reasons:

(i) **Long-term interest of business** It is in the long-term interest of business to satisfy their customers.

Satisfied customers not only leads to repeated sales, but also helps in increasing the customer base.

(ii) **Social responsibility** It is the social responsibility of every business to take care of the interest and protection of its consumers.

(iii) **Moral justification** It is the moral duty of any business to take care of consumer's interest and avoid any form of their exploitation.

4/5 Marks Questions

10. State with the help of any four points, why is it important for a business to lay emphasis on consumer protection. (Compartment 2014)

Ans. A business must lay emphasis on consumer protection because of the following reasons:

(i) **Long-term interest of business** It is in the long-term interest of business to satisfy their customers.

Satisfied customers not only leads to repeated sales, but also helps in increasing the customer base.

(ii) **Social responsibility** It is the social responsibility of every business to take care of the interest and protection of its consumers.

(iii) **Moral justification** It is the moral duty of any business to take care of consumer's interest and avoid any form of their exploitation.

(iv) **Government intervention** A business engaged in any form of exploitation would invite government intervention or action.

11. What is meant by consumer protection? Also state how consumer protection is important from the point of view of consumers. (Compartment 2014)

or

What is meant by consumer protection? State any three points of importance of the consumer protection from the consumers' point of view. (All India 2010)

Ans. Consumer protection is a very wide term. It includes providing information to the consumers about their rights and responsibilities and helps in getting their grievances redressed. Consumer is treated as a king in the market, therefore, producers produce goods as per their need and want. (1) Importance of consumer protection from consumer's point of view are:

(i) Consumer ignorance Due to widespread ignorance of consumers about their rights and reliefs available to them, they need to be made aware in this regard. Consumer protection provides information to the ignorant consumers regarding their rights and reliefs available to them.

(ii) Unorganised consumers Consumers need to be organised for safeguarding their interests. In developing countries like India, consumers are not organised. There are very few consumer organisations which are working to protect the interests of consumers. Consumer protection encourages establishment of more consumer organisations.

(iii) Widespread exploitation of consumers Consumers are exploited by unscrupulous, exploitative and unfair trade practices of sellers. They might be exploited by unfair trade practices like defective and unsafe products, adulteration, hoarding, black marketing, etc. Consumers need protection, against such unfair trade practices.

