

Class XII Session 2025-26

Subject - Business Studies

Sample Question Paper - 3

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions.
2. Marks are indicated against each question.
3. Answers should be brief and to the point.
4. Answers to the questions carrying 3 marks may be from 50 to 75 words.
5. Answers to the questions carrying 4 marks may be about 150 words.
6. Answers to the questions carrying 6 marks may be about 200 words.
7. Attempt all parts of the questions together.

1. **The difference between successful and unsuccessful organisations is that successful organisations do not rely on chance but follow deliberate process to synchronise the activities of different departments to ensure that planned objectives are achieved with a minimum of conflict.** [1]

The process mentioned above is:

- | | |
|---------------|-----------------|
| a) Planning | b) Organising |
| c) Management | d) Coordination |

2. Fayol points out the danger and costs of unnecessary labour turnover in one of his **Principles**. Name the principle. [1]

- | | |
|---------------------------|--------------------|
| a) Stability of personnel | b) Initiative |
| c) Division of work | d) Esprit De Corps |

3. **Assertion (A):** Motivation is an internal feeling. [1]

Reason (R): The urge, drives, desires, aspirations, striving or needs of human being, which are internal, influence human behaviour.

- | | |
|---|---|
| a) Both A and R are true and R is the correct explanation of A. | b) Both A and R are true but R is not the correct explanation of A. |
| c) A is true but R is false. | d) A is false but R is true. |

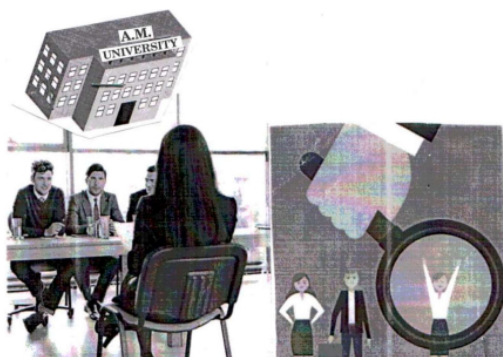
4. **Statement I:** The degree of centralisation will depend upon the circumstances in which the company is working. [1]
In general, large organisations have more centralisation than small organisations.

Statement II: An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.

- | | |
|--|--|
| a) Both the Statements I and II are not correct. | b) Both the Statements I and II are correct. |
|--|--|



- c) Statement I is correct and Statement II is not correct. d) Statement II is correct and Statement I is not correct.
5. Social/Affiliation/Belongingness needs are concerned with _____. [1]
- a) Salary b) Affection and friendship
c) Stability of income d) Pension
6. The complete awareness and understanding of the business environment are called _____. [1]
- a) Privatisation b) Technological advancement
c) Environmental awareness d) Liberalisation
7. _____ makes flexibility available. [1]
- a) Personal Selling b) Sales Promotion
c) Publicity d) Advertisement
8. The main basis of setting standards is _____. [1]
- a) Quality b) All of these
c) Time d) Quantity
9. Identify the external source of recruitment illustrated by the picture given below: [1]



- a) Employment Exchange b) Campus Recruitment
c) Recommendation of Employees d) Labour Contractors
10. Identify the correct sequence of steps involved in the communication process. [1]
- a) Sender, Decoding, Receiver, Feedback, Message, Encoding, Media b) Sender, Message, Encoding, Media, Decoding, Receiver, Feedback
c) Sender, Message, Feedback, Media, Decoding, Receiver, Encoding d) Sender, Media, Decoding, Receiver, Message, Encoding, Feedback
11. Money market is a market for dealing in: [1]
- i. Long term fund
ii. Medium-term fund
iii. Short term fund
iv. Both Long term fund and Medium-term fund
- a) ii and iii b) i and ii
c) iv and i d) only iii
12. _____ ensures that goods belong to a particular quality and helps in realising higher prices for high quality [1]



output. (Standardisation/Grading).

- a) Grading
- b) Branding
- c) Product designing and development
- d) Standardisation

13. Match the columns to identify the importance of coordination.

[1]

Column I	Column II
(a) Functional differentiation	(i) When all departments have their own objectives, policies and their own style of working.
(b) Specialisation	(ii) When organisation is performing on large scale and more people are employed.
	(iii) When more complexities of modern technology and diversity of tasks is to be performed.

- a) (a) - (ii), (b) - (i)
- b) (a) - (i), (b) - (ii)
- c) (a) - (i), (b) - (iii)
- d) (a) - (iii), (b) - (i)

14. Plans are prepared for a specific period of time, may be for a month, a quarter or a year. At the end of that period, there is a need for a new plan to be drawn on the basis of new requirements and future conditions. The feature of planning reflected in the above lines is:

[1]

- a) Planning is a mental exercise
- b) Planning is futuristic
- c) Planning is continuous
- d) Planning is pervasive

15. _____ is a very useful source of recruitment for hiring casual or badli workers to whom compensation is provided on a daily wage basis.

[1]

- a) Labour contractor
- b) Placement agencies and management consultant
- c) Direct recruitment
- d) Advertising on television

16. When the stock market is bullish, a company must go for which of the following?

[1]

- a) Equal mix of debt and equity
- b) Less equity
- c) More equity
- d) More debt

17. The risk of default on payment of interest on borrowed funds and the repayment of debt is known as _____.

[1]

- a) operating risk
- b) leverage risk
- c) financial risk
- d) business risk

18. Which is the major part of financial system?

[1]

- a) Financial institutions
- b) Financial market
- c) Financial securities
- d) All of these

19. The primary aim of financial management is _____.

[1]

- a) optimal procurement as well as the usage of finance
- b) to maximise shareholders wealth
- c) to see that the firm does not raise resources unnecessarily
- d) to ensure availability of enough funds whenever required



20. **Statement I:** The most important criterion of capital budgeting decisions is the rate of return of the project. [1]
Statement II: Suppose, there are two projects, A and B (with the same risk involved), with a rate of return of 10 percent and 12 percent, respectively, then under normal circumstance, project A should be selected
- a) Statement II is correct and Statement I is not correct. b) Statement I is correct and Statement II is not correct.
c) Both the Statements I and II are not correct. d) Both the Statements I and II are correct.

21. Geetika is working in a private sector bank. One of her key function relates to the formulation of the overall organizational goals and strategies of the bank. Identify the level of management at which she is working? State any three other functions that she has to perform at this level. [3]

OR

Mr. Kunal is working as the Finance Manager of XYZ Ltd. At what level of management is he working? State any two functions being performed by him?

22. Neela Ayurved Ltd, a new and leading manufacturer of herbal and ayurvedic medicines and grocery products has captured a large share of the market in a short span of time. The Research and Development (R & D) department of the company spends considerable time and effort in developing eco-friendly, chemical free and healthy alternatives for a variety of products of daily use, like toothpaste, biscuits, noodles, soaps, shampoos and detergents etc. Their business orientation differs from competitors who are short sighted and serve only consumers needs. Instead Neela Ayurved Ltd. considers larger issues of long term social welfare, paying attention to social, ethical and ecological aspects of marketing. [3]

- Identify and explain the marketing management philosophy adopted by Neela Ayurved Ltd.

23. Distinguish between **Capital Market** and **Money Market** on the basis of: [3]
- i. Instruments
 - ii. Liquidity
 - iii. Safety

OR

State any three regulatory functions of the Securities and Exchange Board of India.

24. XYZ Ltd. is a management oriented company. Time and again all the employees learn from their seniors various ways of dealing with diverse situations. They are provided training whenever required. They are also given incentives both financial as well as non financial. The result is employees see their development in the organisation. The organisation tries to behave as a responsible constituent of society and always creates good quality products. It has a very good image in the market. The training modules are superb and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. This has helped the organisation to adjust frequently in a very good manner. [3]
- Which importance of management is highlighted here? Also identify the lines.

25. Differentiate between **Advertising** and **Personal Selling** on any four bases. [4]

OR

Distinguish between **Product** and **Production** concepts of marketing philosophies on the followings bases :

- i. Starting Point
- ii. Main Focus
- iii. Means
- iv. Ends



26. Give the meaning of 'policy' and 'strategy' as types of plans. [4]

OR

Why are the planning premises required in the planning?

27. Paytm is an Indian e-payments and e-commerce brand based out of Delhi NCR, India. Launched in August 2010, it is a consumer brand of parent company One97 Communications. The name is an acronym for "Payment Through Mobile". The company employs over 13,000 employees as of January 2017 and has 3 million offline merchants across India. It also operates the Paytm payment gateway and the Paytm Wallet. Starting from March 2017, Paytm expanded its services to Canada with the launch of Paytm Canada. Paytm has targeted each and every person irrespective of age, income, gender or status as its target customer because it wants to penetrate in every nook and corner of India. Some of its major competitors are JioMoney, Airtel Money, Mobikwik and Freecharge. It acts as a portal to shop for multiple products from apparel to electronic items. The government is propagating the cashless economy system and this has helped Paytm in its endeavour. In the year 2015 Reserve Bank of India granted it a license to start the first payment bank in India. Demonetization of currency notes has also worked heavily in favor of the company and led to a substantial increase in inactive users.
- In the context of the above case:
- Identify and explain any three dimensions of the business environment being referred to them in the above case by quoting lines from the paragraph.
 - Outline the concept of 'demonetization'.
28. How does controlling function of management **ensures order and discipline** and **helps in judging accuracy of standards**? Explain. [4]
29. Scientific Management means knowing exactly what you want men to do and seeing that they do it in the best and the cheapest way. Taylor developed various techniques for application of Scientific Management principles and was able to achieve a three-fold increase in productivity in Bethlehem Steel Company, where he worked. One of the techniques helps to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs. Another technique recognises those workers who are able to accomplish/exceed the fair day's work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers. [4]
- Quoting the lines from the above paragraph, identify and explain the two techniques of Scientific Management.
30. After passing his secondary school examination, David left the school at the age of 15 years and started getting training under his father. His father, a renowned electrician, had worked for many companies. He every day started accompanying his father on work and watched him carefully while working. David was a good learner and learnt the techniques of work quickly. Now his father started passing on the tricks of the trade to David. With the passage of time David acquired a high level skill and became a well-known electrician in Indore. Big business houses started calling him for electrical-wiring. [4]
- Name the method of training discussed in the above para.
 - State any three benefits which David could get on being trained.
31. **A.M. Motors Ltd.** is a leading company in car manufacturing. Due to the changing environment and initiatives taken by the Government of India, the company wants to enter into manufacturing of e-cars also. For this project the company requires ₹ 2,000 crore. But before purchasing the machines and other assets, the finance manager has to assess the degree of risk involved in the project as this type of decision affects the earning capacity of the [6]



business over the long run. Besides this, there are various other factors which may affect this decision of the finance manager.

- a. Identify and state the financial decision discussed in the above para.
- b. State any two factors that may affect the decision of the finance manager identified in (i) above.

32. Neeraj has been working as a sewing machine operator in an export house for the past ten years. His basic work is to seam the parts of a garment together and attach buttons, hooks, zippers, and accessories to produce clothing. Considering the fact that Neeraj is an experienced operator, he is well versed with the fundamentals of industrial production and possesses good communication skills. The plant superintendent in the factory recommends Neeraj's name to the production manager for the post of supervisor which will fall vacant after a month on the retirement of the present supervisor. Consequently, Neeraj is assigned the post of supervisor and his salary is increased accordingly. Moreover, as per the policy of the export house, he is offered free medical aid and education to his two children. [6]

In the context of the above case:

- a. Identify the type of source of recruitment used by the export house to fill up the post of supervisor. Give any two advantages of using this source.
- b. Identify the types of financial incentives offered to Neeraj by quoting lines from the paragraph.

33. **E-Solutions Ltd.** started its operations in the year 2000. At the time of its inception, the company had only ten employees with two departments, a Production department and an Administration department. The products supplied and the services provided by the company started gaining popularity over the years. The management had faith in the abilities of the employees and thus they allowed them freedom of action. The management recognised that the decision-makers at different levels of the organisation need to be given more autonomy. They took a policy decision that there will be less control of superiors over subordinates. This increased the role of the subordinates in the organisation and now they were in a position to take numerous as well as important decisions. As a result, its business has diversified into many areas. Presently, it has its operations throughout the country with seven branches overseas. Its organisational structure has now changed into divisional structure and ten thousand people are working with the company. [6]

- a. Identify the concept of management which helped the company to diversify into many areas and branches abroad.
- b. Explain five points of importance of the concept identified in (a) above.

34. Explain the following rights of a consumer as per the Consumer Protection Act, 2019: [6]
- i. Right to be Informed
 - ii. Right to be Heard

OR

Enumerate the various Acts passed by the Government of India which help in protection of consumer's interests.



Solution

1.
(d) Coordination
Explanation:
Coordination
2. **(a) Stability of personnel**
Explanation:
Stability of personnel
3. **(a) Both A and R are true and R is the correct explanation of A.**
Explanation:
Both A and R are true and R is the correct explanation of A.
4.
(d) Statement II is correct and Statement I is not correct.
Explanation:
Statement II is correct and Statement I is not correct.
5.
(b) Affection and friendship
Explanation:
Affiliation/Belonging Needs refer to affection, sense of belongingness, acceptance and friendship.
6.
(c) Environmental awareness
Explanation:
Environment scanning is the process by which organisations monitor their relevant environment to identify opportunities and threats. It finds out the influence of different factors and persons on the business.
7. **(a) Personal Selling**
Explanation:
In Personal Selling, sale presentation can be adjusted as per the requirement of the customers.
8.
(b) All of these
Explanation:
Standards can be set in both quantitative and qualitative terms. Also, standards should be flexible and realistic enough to be modified whenever required. Time, Quantity and Quality should be kept in mind while setting standards.
9.
(b) Campus Recruitment
Explanation:
in campus recruitment business approaches to the university for selection of candidate.
10.
(b) Sender, Message, Encoding, Media, Decoding, Receiver, Feedback
Explanation:
Sender, Message, Encoding, Media, Decoding, Receiver, Feedback



11.
(d) only iii
Explanation:
Short term fund i.e., up to one year
12. **(a)** Grading
Explanation:
Grading
13.
(d) (a) - (iii), (b) - (i)
Explanation:
(a) - (iii), (b) - (i)
14.
(c) Planning is continuous
Explanation:
Planning is continuous
15.
(c) Direct recruitment
Explanation:
Direct recruitment is a very useful source of recruitment for hiring casual or badli workers to whom compensation is provided on a daily wage basis.
16.
(c) More equity
Explanation:
If the stock markets are bullish, equity shares are more easily sold even at a higher price. Use of equity is often preferred by companies in such a situation.
17.
(c) financial risk
Explanation:
financial risk
18.
(d) All of these
Explanation:
All of the above are parts of financial system
19.
(b) to maximise shareholders wealth
Explanation:
to maximise shareholders wealth
20.
(b) Statement I is correct and Statement II is not correct.
Explanation:
Statement I is correct and Statement II is not correct.

21. Geetika is working at the top level of management in the private sector bank. The three other functions that she has to perform at this level are outlined below:

- To integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organization.
- To analyse the business environment and its implications for the survival of the firm.
- To formulate overall organizational goals and strategies for their achievement.

OR

He is working as a middle level manager. As middle level manager is working like a link chain between top and lower. He instruct all the instruction of top level to lower level. His functions are as follows.

- Deciding various sources from which required funds can be raised.
- Negotiating with banks, brokers, under-writers etc. for raising finance

22. Societal marketing philosophy: It is mainly concerned with meeting the needs of customers as well as working towards protecting the environment, its natural resources and overall well being of the society.

- Starting point: The marketing efforts start from the identification of needs of the target market and the society.

Focus: Customer needs and society's well-being. It takes care of long term well being of the consumers as well as the society.

Means: It uses integrated marketing as a means to achieve the objective.

- Ends/Objective: Its objective is to earn profits through customer satisfaction and social welfare.

iii. Development of products or services for satisfying needs of the target market.

iv. Satisfying needs of target market better than the competitors.

- Doing all this at a profit.

23. Basis	Capital Market	Money market
Instruments	Equity shares, Debentures, Bonds, Preference shares etc are the instruments of capital market.	Short term debt instruments such as T-bills, trade bills reports, commercial paper and certificates of deposit are money market instruments.
Liquidity	They are less liquid in comparison to money market instruments	They are highly liquid
Safety	Capital market instruments are riskier both with respect to returns and principal repayment	Money market is generally much safer with a minimum risk of default

OR

Regulatory Functions

- Registration of brokers and sub brokers and other players in the market.
- Registration of collective investment schemes and Mutual Funds.
- Regulation of stock brokers, portfolio exchanges, underwriters and merchant bankers and the business in stock exchanges and any other securities market.

24. The importance of management highlighted here are:

- Development of personnel. They are also given incentives both financial as well as non financial. The result is employees see their development in the organisation.
- Development of society. The organisation tries to behave as a responsible constituent of society and always creates good quality products.
- Helps in becoming dynamic organisation. The training modules are superb and the employees always try to find unique ways of providing solutions in the context of rapidly changing business environment. Management strives to change and adapt to maintain competitiveness and remain relevant.

25. Basis	Advertising	Personal Selling
Nature	It is an impersonal form of communication.	It is a personal form of communication.
Message	It involves transmission of standardised messages.	In adjusts the sales talk keeping in view customer's background and needs.
Flexibility	It is inflexible as the message can't be adjusted to the needs of the buyer.	It is highly flexible. As the message can be adjusted.



Reach	It reaches masses.	Only a limited number of people can be contacted.
Cost	The cost per person is very low.	The cost per person is quite high.
Coverage	It can cover the market in a short time.	It takes a lot of time to cover the entire market.

OR

Basis	Production	Product
Starting Point	Factory area is the starting point	Factory area is the starting point
Main Focus	Product	Production
Means	Improvement in product over time	Improvement in the production efficiency and distribution coverage.
Ends	Earning profit through increase in the level of production	Earning profit through the improvement in product quality

26. **Policy**

- These are the general guidelines which facilitate uniformity in decision-making for the attainment of objectives of the organisation.
- Policies are made at every level because the managers at every level need to decide or predetermine the way of handling a situation.
- These act as a guide to take decisions in an unexpected situation.
- For e.g. It is a firm's policy to reserve 10% jobs for women.

Strategy

- A strategy is a comprehensive plan to achieve organisational objectives.
- The dimensions of strategy are:
 - Determining long-term objective.
 - Adopting a particular course of action.
 - Allocating resources for achieving the objectives.
 - A strategy is formulated after scanning the business environment.
 - It tries to study environmental opportunities and threats and fixes a match between them and organizational resources.

OR

Planning is concerned with the future which is uncertain, therefore, the manager is required to make certain assumptions about the future which are considered to be base material upon which plans are to be drawn. These assumptions are called planning premises. There can be no planning unless planning premises are determined. We can continue with some of the planning premises are demand for goods, cost of raw materials, government policies, the intensity of competition, factor market conditions, etc. For example, Mr. Nirmal decides to produce colour television sets. In such a case, he will have to forecast the demand for television sets while preparing various plans. The success of various plans depends on the accuracy of the forecast of demand for television sets.

27. a. The various dimensions of the business environment being referred to in the above case are as follows:
- Technological Environment: The line from the given paragraph is "Paytm is an Indian e-payments and e-commerce brand based out of Delhi NCR, India."
 - Political Environment: The line from the given paragraph is "The government is propagating the cashless economy system and this has helped Paytm in its endeavor."
 - Legal Environment: The line from the given paragraph is "In the year 2015 Reserve Bank of India granted it a license to start first payment bank in India."
- b. Demonetization is the act of scrapping a currency unit of its status as legal tender.

28. **Importance of controlling function of management:**

- Accomplishing organizational goals:** The controlling function tracks advancement toward organisational objectives, identifies deviations, if any, and recommends corrective action. Thus, it directs the organisation and keeps it on the course so that organisational objectives can be met.
- Judging accuracy of standards:** Management can confirm the accuracy and objectivity of the standards set thanks to a sound control system. An effective control system helps to review and revise the standards in light of such changes by keeping a



close eye on the changes occurring within the organisation and in the environment.

- iii. **Making efficient use of resources:** manager tries to minimize resource waste and spoilage by exercising control. Every task is carried out in accordance with established standards and norms. This guarantees the most effective and efficient use of the resources.
 - iv. **Improving employee motivation:** A good control system makes sure that employees are aware of what is expected of them and the performance standards that will be used to evaluate them. As a result, it inspires them and aids in improving their performance.
 - v. **Ensuring order and discipline:** Controlling fosters a culture of discipline and order in the workplace. By closely monitoring their actions, it is possible to reduce the amount of dishonest behaviour on the part of the employees.
 - vi. **Facilitating coordination in action:** All actions and endeavours are directed by controlling in order to accomplish organisational objectives. Every department and employee is subject to predetermined rules that are closely synchronised with one another. This guarantees the achievement of the overall organisational goals.
29. **Time Study:-** One of the techniques helps to determine the number of workers to be employed; framesuitable incentive schemes and labour costs. It circumscribes the conventional time taken to complete a well-defined job.
- Differential Piece Wage System:-** Another technique recognises those workers who are able to accomplish/exceed the fair days work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers.
30. a. David used Apprenticeship Training method to become trained.
- b. Benefits which David could get on being trained: (any three)
- a. Recruit and develop a highly skilled workforce that helps grow their business
 - b. Improve productivity
 - c. Improves profitability
31. a. i. The Financial decision discussed in the above para is Investment decision or Capital Budgeting decision. This decision relates to careful selection of assets in which funds will be invested by the firms. A firm has many options to invest their funds but firm has to select the most appropriate investment which will bring maximum benefit for the firm and deciding or selecting most appropriate proposal is investment decision. A long-term investment decision is also called a capital budgeting decision. It involves committing the finance on a long-term basis, e.g. making investment in a new machine to replace an existing one or acquiring a new fixed asset or opening a new branch.
- ii. There are certain factors which affect capital budgeting decisions.
- b. i. Cash flows of the project: When a company takes an investment decision involving huge amount it expects to generate some cash flows over a period. These cash flows are in the form of a series of cash receipts and payments over the life of an investment. The amount of these cash flows should be carefully analysed before considering a capital budgeting decision.
- ii. The rate of return: The most important criterion is the rate of return of the project. These calculations are based on the expected returns from each proposal and the assessment of the risk involved. Suppose, there are two projects, A and B (with the same risk involved), with a rate of return of 10 per cent and 12 per cent, respectively, then under normal circumstance, project B should be selected.
32. a. The internal source of recruitment has been used by the export house to fill up the post of the supervisor through promotion. The two advantages of using an internal source of recruitment are stated below:
- i. Employees are motivated to improve their performance
 - ii. Internal recruitment simplifies the process of selection and placement:
- b. The types of financial incentives offered to Neeraj are as follows:
- i. Pay and allowances: This fact is evident by the following line: "his salary is increased accordingly."
 - ii. Perquisites: This fact is evident by the following line: "as per the policy of the export house, he is offered free medical aid and education to his two children."
33. a. The Concept of Management which helped the Company to Diversify into many Areas and Branches Abroad is **Decentralization**.
- b. Importance of Decentralization can be explained with the help of the following points:
- i. **Developing Initiative among Subordinates:** Passing of authority at middle and lower level shows the trust and faith of top-level in their subordinates and this trust and faith motivate the employees working at different levels as they are allowed to make decisions without seeking the approval of superiors.
 - ii. **Develop Managerial Talent for Future:** In decentralization, Managers working at the lower and middle level also learn the art of making decisions. They get the experience of performing activities of top executives and learn to manage the



authority given to them.

- iii. **Quick Decision-making:** In the Decentralization process decision-making is not restricted in few hands only by decision-making power is entrusted to all the managers who are taking actions or performing the activities. This leads to faster decisions because employees who have to perform the activities are allowed to take decisions also.
- iv. **Relief to Top Level Management:** In the process of Decentralization top-level managers are not overburdened with the responsibilities and authority as they systematically pass the authority and responsibilities at different levels and they become free to concentrate on core and important issues.
- v. **Facilitates Growth:** Decentralization grants more autonomy or freedom to a lower level. Thus productivity increases and it will generate more revenue which can be used for expansion.

34. i. **Right to be informed:** The consumer has a right to have complete information about the product he intends to buy including its ingredients, date of manufacture, price, quantity, directions for use, etc. it is because of this reason that the legal framework in India requires the manufacturers to provide such information on the package and label of the product. The right to be informed means the consumers must be made aware of the quality, quantity, potency, purity, standard, and price of the goods.
- ii. **Right to be heard:** The consumer has a right to file a complaint and to be heard in case of dissatisfaction with a good or a service. It is because of this reason that many enlightened business firms have set up their own consumer service and grievance cells. Many consumer organisations are also working towards this direction and helping consumers in redressal of their grievances. Right to be heard means that the consumer's interests must be heard properly. Their problem must receive all the due consideration at the right forums.

OR

The Indian legal framework consists of a number of regulations which provide protection to consumers. Some of these regulations are as under

i. **The Consumer Protection Act, 1986**

The Act provides safeguards to consumers against defective goods, deficient services, unfair trade practices etc. It protects the consumer from exploitation that business practice to make profits which in turn harm the well being of the consumer and society.

ii. **The Contract Act, 1872**

The Act lays down the conditions in which the promises made by parties to a contract will be binding on each other. It determines the circumstances in which promises made by the parties to a contract shall be legally binding. Under Section 2(h), the Indian Contract Act defines a contract as an agreement which is enforceable by law.

iii. **The Sale of Goods Act, 1930**

The Act provides some safeguards and reliefs to the buyers of the goods in case, the goods purchased do not comply with express or implied conditions or warranties of contract of sale of goods which is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price.

iv. **The Essential Commodities Act, 1955**

It has since been used by the Government to regulate the production, supply and distribution of a whole host of commodities it declares 'essential' in order to make them available to consumers at fair prices. The Act aims at controlling, reduction, supply, distribution and price of essential commodities.

v. **The Agricultural Produce Act, 1937**

The Act prescribes grade standards for agricultural commodities and livestock products.

vi. **The Prevention of Food Adulteration Act, 1954**

The Act aims to check adulteration of food articles and ensure their purity, so as to maintain public health.

vii. **The Standards of Weights and Measures Act, 1976**

It provides protection to consumers against the malpractice of under-weight or under-measure.

viii. **The Trade Marks Act, 1999**

The Act prevents the use of fraudulent marks on products and thus provides protection to the consumers against such products.

ix. **The Competition Act, 2002**

The Act provides protection to the consumers in case of practices adopted by business firms which hamper competition in the market.

x. **The Bureau of Indian Standard Act, 1986**

The bureau has two major activities: formulation of quality standards for goods and their certification through the BIS certification scheme. The bureau has also set up a grievance cell, where consumers can make a complaint about quality of products carrying the ISI mark.

