

CUET · BUSINESS STUDIES · CLASS XII · CODE 305

# Consumer Protection

CUET unit: Consumer Protection

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## Snapshot

- Establishes that under the Consumer Protection Act 2019 the market has shifted from **caveat emptor** (let the buyer beware) to **caveat venditor** (let the seller beware), making the consumer the "KING" of a free-market economy.
- Develops the importance of consumer protection from both the consumer's point of view (ignorance, unorganised consumers, widespread exploitation) and the business's point of view (long-term interest, society's resources, social responsibility, moral justification, avoiding government intervention).
- Defines who a consumer is under the 2019 Act and lays down six consumer rights and ten consumer responsibilities.
- Describes the ways and means of consumer protection — self-regulation, business associations, consumer awareness, consumer organisations and government action (Jago Grahak Jago, CCPA).
- Details the three-tier redressal machinery (District, State, National Commissions) with their exact pecuniary jurisdiction limits, appeal periods, mediation procedure, reliefs available and the role of consumer organisations & NGOs.

## Detailed Notes

### 2.1 Core concepts

- The Consumer Protection Act 2019 has replaced the 1986 Act and widens the scope of addressing consumer concerns; it extends to the whole of India and covers all manufacturers, traders, service providers including e-commerce firms (NCERT §Introduction & §CPA 2019, pp. 290, 293).
- Need for consumer protection arises to ensure (1) physical safety of consumer, (2) access to information, (3) corporate social responsibility for quality/quantity at fair prices, (4) consumer satisfaction, (5) social justice and trusteeship, (6) survival and growth of businesses (NCERT §Need for Consumer Protection, p. 291).
- From the **consumer's point of view**, protection is important because of (i) Consumer Ignorance, (ii) Unorganised Consumers, and (iii) Widespread Exploitation of Consumers through defective/unsafe products, adulteration, false advertising, hoarding, black-marketing, etc. (NCERT §From Consumers' point of view, pp. 291–292).

- From the **business's point of view**, protection is important because of (i) Long-term interest of business, (ii) Business uses society's resources, (iii) Social responsibility, (iv) Moral justification, (v) Government intervention (NCERT §From the point of view of Business, pp. 292–293).
- A **consumer** under the 2019 Act is a person who buys goods or avails services for a consideration paid, promised, partly paid/partly promised, or under any scheme of deferred payment; includes user/beneficiary if used with buyer's approval; applies to both offline and online transactions, teleshopping, direct selling and multilevel marketing; excludes any person who obtains goods/services for **resale or commercial purpose** (NCERT §Who is A Consumer?, pp. 293–294).
- The Act provides **six consumer rights**: (1) Right to Safety, (2) Right to be Informed, (3) Right to be Assured/Choose, (4) Right to be Heard, (5) Right to Seek Redressal, (6) Right to Consumer Education (NCERT §Consumer Rights, pp. 294–296).
- **Consumer responsibilities** are ten in number — be aware; buy standardised/quality-marked goods (ISI on electrical, FPO on food, Hallmark on jewelry); learn about product risks; read labels; assert yourself; be honest; ask for cash memo; file complaint even for small amounts; form consumer societies; respect the environment (NCERT §Consumer Responsibilities, pp. 296–297).
- **Ways and means of consumer protection**: (1) Self-regulation by Business, (2) Business Associations (FICCI, CII codes of conduct), (3) Consumer Awareness, (4) Consumer Organisations, (5) Government — with the Department of Consumer Affairs running the **Jago Grahak Jago** campaign and a toll-free helpline 1800114000; the **Central Consumer Protection Authority (CCPA)** regulates violations of consumer rights, unfair trade practices and misleading advertisements (NCERT §Ways and Means of Consumer Protection, pp. 297–299).
- **Redressal Agencies — three-tier machinery** under the Consumer Protection Rules 2021: **District Commission** entertains complaints where value of goods/services as consideration does not exceed Rs 50 lakh; appeal to State Commission within **45 days** on grounds of facts or law; mediation can be referred within 5 days if settlement elements exist (NCERT §Redressal Agencies — District Commission, pp. 299–300).
- **State Commission** has jurisdiction where consideration exceeds Rs 50 lakh but does not exceed Rs 2 crore; appeal to National Commission within **30 days**. **National Commission** has territorial jurisdiction over the whole country and entertains complaints where consideration exceeds Rs 2 crore; appeal to the Supreme Court within **30 days** (NCERT §State & National Commission, p. 300).
- **Reliefs available** include: remove defect/deficiency; replace defective product; refund price; pay reasonable compensation; punitive damages; discontinue unfair/restrictive trade practice; not offer hazardous goods for sale; withdraw hazardous goods; cease manufacture of hazardous goods/services; compensate under product liability action (NCERT §Relief Available, pp. 300–301).

- **Role of Consumer Organisations and NGOs:** educating public; publishing periodicals; comparative testing in accredited laboratories; encouraging protest and action against unfair trade practices; providing legal assistance; filing complaints on behalf of consumers; taking initiative in consumer courts in public interest. Example given — **Consumer Unity and Trust Society (CUTS), Jaipur** (NCERT §Role of Consumer Organisations And NGOs, p. 301).

## 2.2 Definitions to memorise

Term	Definition	Page
Complaint	Any allegation in writing for relief w.r.t. restrictive trade practice, defect in goods, deficiency in services, overcharging, or offer of goods/service injurious to life and safety	294
Complainant	One or more consumers, any voluntary consumer association, central/state government, central authority, legal heir or representative, parent/legal representative of a minor	294
Spurious goods	Goods that are falsely claimed to be genuine	294
Unfair trade practice	Practice for promoting sale/use/supply of goods/services that falsely represents quality, standard, quantity, composition, style or model	294
Restrictive trade practice	Practice which manipulates price or affects flow of supplies so that an unjustified cost is imposed on the consumer	295
Defect	Any fault, imperfection, shortcoming or inadequacy in quality, nature and manner of performance in relation to <b>goods or a product</b>	295
Deficiency	Any fault, imperfection, shortcoming or inadequacy in <b>service</b> — includes negligence, omission/commission, or withholding relevant information causing loss/injury	295
Injury	Any harm illegally caused to any person in body, mind or property	295
Product	Any article/goods/substance/raw material in gaseous, liquid or solid state having intrinsic value — excludes human tissues, blood, blood products and organs	295
Product Seller	Any person who, in the course of business, imports, sells, distributes, leases, installs, prepares, labels, markets, repairs, or otherwise places the product for commercial use, or a service provider	295
Product Liability	Responsibility of a manufacturer/seller/service provider to compensate for any harm caused by a defective product or deficient service	295
Consumer (CPA 2019)	A person who buys goods or avails services for consideration (paid/promised/partly paid/deferred); includes user/beneficiary	293–294

Term	Definition	Page
	with buyer's approval; excludes purchases for resale or commercial purpose	
Caveat emptor	"Let the buyer beware" — old market doctrine.	290
Caveat venditor	"Let the seller beware" — new doctrine under CPA 2019.	290
CCPA	Central Consumer Protection Authority — regulates violations, unfair trade practices and misleading advertisements.	299
Jago Grahak Jago	Government of India consumer-awareness campaign run by the Department of Consumer Affairs.	299
District Commission	First-tier redressal forum for complaints up to Rs 50 lakh.	299
State Commission	Second-tier forum for complaints between Rs 50 lakh and Rs 2 crore.	300
National Commission	Third-tier forum for complaints exceeding Rs 2 crore; territorial jurisdiction over the whole country.	300
Right to Safety	Consumer right to be protected against goods/services hazardous to life and property.	295
Right to be Informed	Consumer right to receive complete information about goods/services.	295
Right to be Assured/Choose	Consumer right to access variety of goods at competitive prices.	295-296
Right to be Heard	Consumer right to be heard and assured that interests will receive due consideration.	296
Right to Seek Redressal	Consumer right to obtain relief and compensation.	296
Right to Consumer Education	Consumer right to acquire knowledge and skills to be an informed consumer.	296
ISI mark	Quality mark of Bureau of Indian Standards — for electrical and industrial goods.	298
Agmark	Quality mark for agricultural products.	298
FPO	Food Process Order mark — for processed food products.	298
Hallmark	BIS mark for gold/jewellery purity.	298
Eco-mark	Quality mark for environment-friendly products.	298
CUTS	Consumer Unity and Trust Society, Jaipur — NCERT-named consumer organisation.	301

## 2.3 Diagrams / processes to remember

- "Marks indicating quality in different products" figure on p. 298 — Mark of Bureau of Indian Standards (ISI), Food Process Order (FPO), Agmark, BIS Hallmark, Eco-mark.
- "Compensation for impurities in cold drinks" illustration of consumer exploitation (p. 292).
- "Protection against malpractices and exploitation" illustration (p. 294).
- "Consumer Awareness" illustration accompanying the Jago Grahak Jago discussion (p. 299).
- Three-tier redressal pyramid (textual): District ( $\leq$  Rs 50 lakh)  $\rightarrow$  State ( $>$  50 lakh  $\leq$  Rs 2 crore)  $\rightarrow$  National ( $>$  Rs 2 crore)  $\rightarrow$  Supreme Court appeal, with appeal periods of 45 days (District $\rightarrow$ State) and 30 days for both State $\rightarrow$ National and National $\rightarrow$ SC (pp. 299–300).

## 2.4 Common confusions / NTA trap points

- **Defect vs Deficiency** — Defect relates to **goods/product**; Deficiency relates to **services** (including negligence/withholding information). NTA frequently swaps these.
- **Pecuniary jurisdiction limits** under the 2021 Rules: District  $\leq$  Rs 50 lakh; State  $>$  Rs 50 lakh but  $\leq$  Rs 2 crore; National  $>$  Rs 2 crore. Older textbooks/students wrongly cite the pre-2021 limits (Rs 1 crore / Rs 10 crore) — use the **2021 Rules** numbers.
- **Appeal time periods** — 45 days from District to State (grounds of facts or law); 30 days from State to National; 30 days from National to Supreme Court. The 45-day window is the one NTA most often disguises.
- **Right to be Assured / Right to Choose** — the NCERT text uses "Right to be assured" (access to variety at competitive prices); CUET options sometimes label it "Right to Choose" — both refer to the same right.
- **Quality marks pairing** — ISI = electrical/industrial goods, Agmark = agricultural products, FPO = food products, Hallmark = jewelry, Eco-mark = environment-friendly products. Distractors typically swap ISI with Hallmark or Agmark with FPO.
- **Caveat emptor vs caveat venditor** — markets have moved **from** caveat emptor (buyer beware) **to** caveat venditor (seller beware). Reverse direction is a classic trap.
- **Who is NOT a consumer** — A buyer for **resale or commercial purpose** is excluded. Users with the buyer's approval ARE included.
- **Six rights vs Ten responsibilities** — rights are entitlements; responsibilities are duties. NTA distractors often pair "Right to be assured" with "responsibility to assert yourself" — both legitimate but distinct items.
- **CPA 2019 vs CPA 1986** — the 2019 Act replaced the 1986 Act. Students using older textbooks cite pre-2019 thresholds; CUET 2023-25 uses 2019/2021 Rules numbers.

- **CCPA is a regulator, NOT a court** — appeals do not go to CCPA. CCPA regulates violations and misleading advertisements separately from the three-tier redressal machinery.
- **Functions of marketing vs Consumer Protection** — these are unrelated lists; CUET sometimes mixes them in match-the-pair items.

## 2.5 Case examples

- **Mrs. Mathur's white-discoloured jacket (NCERT Exercise Q6, p. 303-304)** — the canonical NCERT case for Consumer Court intervention: Shine Dry Cleaners agreed to pay Rs 2,500 after consumer court intervention, illustrating the Right to Seek Redressal in action.
- **Compensation for impurities in cold drinks (NCERT illustration, p. 292)** — referenced as a real-world consumer exploitation case. Several Indian cases of impurities in branded cold drinks led to compensation orders from consumer commissions.
- **CUTS (Consumer Unity and Trust Society), Jaipur (NCERT § Role of Consumer Organisations, p. 301)** — NCERT-named NGO that runs comparative testing, files complaints on behalf of consumers and conducts consumer education. The canonical Indian consumer-organisation example.
- **Jago Grahak Jago campaign (NCERT § Government action, p. 299)** — Government of India's high-profile consumer-awareness campaign with toll-free helpline 1800114000. Illustrates the "Government" mode of consumer protection.
- **ISI / Hallmark / FPO marks on Indian products (NCERT figure, p. 298)** — quality marks consumers must look for: ISI on electrical goods, Hallmark on jewellery, FPO on processed food, Agmark on agricultural products, Eco-mark on environmental products. Every Indian household encounters these daily.

## Practice MCQs

**Q1.** Under the Consumer Protection Act 2019, the District Commission has jurisdiction to entertain complaints where the value of goods or services paid as consideration does **\*\*not exceed\*\***:

- A. Rupees twenty lakh
- B. Rupees fifty lakh
- C. Rupees one crore
- D. Rupees two crore

**Q2.** Match the following terms with their correct definitions under the Consumer Protection Act 2019: | Term | Definition | |---|---| | (a) Defect | (i) Any harm illegally caused to a person in body, mind or property | | (b) Deficiency | (ii) Fault, imperfection or inadequacy in quality of a service | | (c) Spurious goods | (iii) Fault, imperfection or inadequacy in quality of a product | | (d) Injury | (iv) Goods falsely claimed to be genuine |

- A. (a)-(ii), (b)-(iii), (c)-(iv), (d)-(i)
- B. (a)-(iii), (b)-(ii), (c)-(iv), (d)-(i)
- C. (a)-(iii), (b)-(i), (c)-(iv), (d)-(ii)
- D. (a)-(iv), (b)-(ii), (c)-(iii), (d)-(i)

**Q3.** The market philosophy underpinning the Consumer Protection Act 2019 has shifted from:

- A. Caveat venditor to caveat emptor
- B. Caveat emptor to caveat venditor
- C. Laissez faire to caveat emptor
- D. Caveat venditor to laissez faire

 **8 more MCQs + answer key**

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## PYQ Alignment

This chapter is one of the most heavily tested topics in CUET Business Studies, contributing on average 8–10 MCQs across the 2023–25 papers. The most frequently asked angles are (i) the six consumer rights with case-based stems, (ii) the pecuniary jurisdiction limits of District/State/National Commissions under the 2021 Rules, (iii) match-the-following on defect/deficiency/spurious goods/unfair trade practice, and (iv) consumer responsibilities linked to quality marks (ISI, Agmark, FPO, Hallmark).

## CUET 2023 — Actual PYQs from this chapter

**Q.5 (CUET 2023)** Consumer protection is important due to widespread \_\_\_\_\_ of consumers about their rights and reliefs.

- A) Unorganised B) Ignorance C) Enlightened D) Protected **Tests:** Importance of Consumer Protection — consumer ignorance **Answer:** Not in extracted key

**Q.10 (CUET 2023)** As per Consumer Protection Act 2019, District Commission has jurisdiction where value of goods or services paid as consideration:

- A) Exceeds ₹1 crore B) Does not exceed ₹1 crore C) Exceeds ₹2 crore D) Does not exceed ₹2 crore **Tests:** Consumer Protection Act 2019 — District Commission pecuniary jurisdiction **Answer:** Not in extracted key

**Q.32 (CUET 2023)** Match List I with List II. List I List II Consumer Protection Act Claim exceeds ₹10 crore District Forum Settlement of claim up to ₹1 crore State Commission Established in 1986 National Commission Settlement above ₹10 crore

- A) B) C) D) **Tests:** Consumer Protection Act 2019 — Three-tier redressal machinery jurisdictions **Answer:** Not in extracted key

## CUET 2024 — Actual PYQs from this chapter

**Q.20 (CUET 2024)** If a party is not satisfied with the order of \_\_, they can appeal to the State Commission within 45 days.

- A) District Commission B) State Commission C) National Commission D) Local Court **Tests:** Three-tier redressal under Consumer Protection Act 2019 — appeal from District to State Commission **Answer:** Not in extracted key

**Q.21 (CUET 2024)** Identify the importance of consumer protection from the statement about businesses selling goods to consumers.

- A) Moral justification B) Business uses society's resources C) Social responsibility D) Long-term interest of business Previous Year Question Solution **Tests:** Importance of Consumer Protection — Business point of view **Answer:** Not in extracted key

**Q.22 (CUET 2024)** Identify the consumer right: Freedom to access a variety of products at competitive prices.

- A) Right to Safety B) Right to Seek Redressal C) Right to be Assured D) Right to Consumer Education **Tests:** Consumer Rights — Right to Choose **Answer:** Not in extracted key

## CUET 2025 — Actual PYQs from this chapter

**Q.3 (CUET 2025)** The importance of consumer protection from the business point of view includes: (A) Social responsibility (B) Government intervention (C) Business uses its own resources (D) Long-term interest of business Options:

- A) (A) and (D) only B) (A), (B) and (C) only C) (A), (C) and (D) only D) (B), (C) and (D) only **Tests:** Importance of Consumer Protection — Business point of view **Answer:** Not in extracted key

**Q.8 (CUET 2025)** Manju was shopping in a grocery store and searching for the FPO mark on a product. Which product would she have in her hand?

- A) Pickle jar B) Shirt C) Bulb D) Gold necklace **Tests:** Standardisation marks — FPO (Food Products Order) **Answer:** Not in extracted key

**Q.20 (CUET 2025)** Which of the following cannot file a complaint under the Consumer Protection Act 2019?

- A) An ignorant consumer B) A person obtaining goods without consideration C) Legal representative of deceased consumer D) Central government **Tests:** Consumer Protection Act 2019 — who can file a complaint **Answer:** Not in extracted key

