



Collegedunia NCERT Solutions

Step-by-step solutions, alternate methods & exam tips for Class 12 Business Studies

Chapter 12: Consumer Protection

About this Chapter

Chapter 12 of Class 12 Business Studies, **Consumer Protection**, is the syllabus's only legal chapter and deals with the law and ethics of protecting buyers from defective goods, deficient services and unfair trade practices. It covers the meaning and importance of consumer protection, six consumer rights (safety, information, choice, hearing, redressal, education), six consumer responsibilities, the three-tier redressal machinery under the **Consumer Protection Act, 2019** (District Commission, State Commission, National Commission), the role of consumer organisations and NGOs (VOICE, CGSI, CERS, Common Cause), and the procedure for filing a complaint. The 2019 Act has replaced the 1986 Act in NCERT Reprint 2026-27, with new pecuniary limits and e-commerce coverage.

Topics covered: Meaning & importance of consumer protection • The Consumer Protection Act, 2019 • Six consumer rights • Six consumer responsibilities • Three-tier redressal machinery • Role of consumer organisations and NGOs • Ways and means of consumer protection

Quick Formula Sheet

Six consumer rights:

Safety • Information •
Choice • Hearing •
Redressal • Consumer Education

Three-tier redressal (CP Act 2019):

District Commission (\leq Rs. 1 crore)
State Commission (Rs. 1 crore – Rs. 10 crore)
National Commission (above Rs. 10 crore)

Six consumer responsibilities:

Be aware • Cash memo •
ISI/Hallmark • Truthful complaint •
Honest • Cooperate

Very Short Answer Type Questions

Q 12.1 What is consumer protection?

SOLUTION

Concept used. **Consumer protection** refers to the measures adopted for the protection of consumers from unscrupulous and unethical business practices and against problems arising from inferior products, services or unfair trade practices. It includes consumer education, redressal of grievances, and the right to choose what to buy without being misled.

Step 1. Definition. Consumer protection means safeguarding the interests and rights of consumers — the people who purchase goods or hire services — from

defects, deficiency and exploitation.

Step 2. Legal basis. In India, consumer protection is governed by the **Consumer Protection Act, 2019**, which replaced the 1986 Act and added e-commerce coverage and product liability.

Step 3. Coverage. It covers six rights of consumers and a three-tier quasi-judicial redressal machinery.

Step 4. Scope. Applies to all goods and services, including e-commerce, telecom, healthcare, education, transport, banking and insurance — public and private.

Step 5. Why needed. Information asymmetry between buyer and seller, the rise of complex products, and the prevalence of unfair trade practices (adulteration, false advertising, defective goods, deficient services) all make legal protection necessary.

Final Answer: Consumer protection is the set of legal, social and educational measures that protect buyers of goods and services from defective products, deficient services and unfair trade practices, governed in India by the Consumer Protection Act, 2019.

Exam Tip

For a 1-mark VSA question, write *one* crisp line: “Consumer protection means safeguarding consumers from defective goods, deficient services and unfair trade practices through legal, social and educational means.”

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. Consumer protection = legal shield for buyers against defects, deficiency and unfair practices. CP Act 2019 is the engine in India.

Step 1. Defects in goods, deficiency in services, unfair trade practices.

Step 2. Six rights + three-tier redressal.

Step 3. Backed by CP Act 2019 (replaces 1986 Act).

Final Answer: Consumer protection safeguards buyers from defective goods, deficient services and unfair trade practices through legal and educational measures.

Q 12.2 State any two rights of consumers as per the Consumer Protection Act,

2019.

SOLUTION

Concept used. The **Consumer Protection Act, 2019** guarantees six consumer rights to every consumer in India, drawn from the United Nations Guidelines for Consumer Protection (1985, revised 2015). Naming any two is sufficient for a 2-mark VSA, but a strong answer briefly defines each.

Step 1. Right to Safety. Consumers have the right to be protected against the marketing of goods and services that are hazardous to life and property. Example: a pressure cooker without a safety valve cannot be sold; an electrical appliance must carry the ISI mark.

Step 2. Right to be Informed. Consumers have the right to information about quality, quantity, potency, purity, standard and price of goods or services, so that they are protected against unfair trade practices. Example: MRP, batch number, expiry date and net weight printed on every pre-packed commodity.

Final Answer: Two rights of consumers under the CP Act 2019 are the **Right to Safety** (to be protected against hazardous goods and services) and the **Right to be Informed** (to know the quality, quantity, price and contents of what is being purchased).

Exam Tip

The six rights are the most-asked memorisation chunk in this chapter. Use the mnemonic **SICHRE** — **S**afety, **I**nformation, **C**hoice, **H**earing, **R**edressal, **E**ducation — to lock all six.

EXPERT'S SOLUTION : *Ishita Kapoor, MBA, Symbiosis Pune*

Quick reading. Two rights = pick the easiest two to write quickly. Safety and Information are the standard pick.

Step 1. Right to Safety (hazardous goods).

Step 2. Right to be Informed (quality, price, expiry).

Final Answer: Right to Safety and Right to be Informed are two of the six consumer rights under the CP Act 2019.

Q 12.3 Name the three-tier machinery set up under the Consumer Protection Act, 2019 for redressal of consumer grievances.

SOLUTION

Concept used. The CP Act 2019 sets up a three-tier quasi-judicial redressal machinery, each tier with a defined pecuniary jurisdiction (the maximum claim value it can hear).

Step 1. District Commission (formerly District Forum) — established in each district; hears complaints where value of goods/services and compensation claimed does not exceed Rs. 1 crore.

Step 2. State Commission — established in each state; hears complaints where the value is above Rs. 1 crore but does not exceed Rs. 10 crore; also hears appeals from the District Commission.

Step 3. National Commission — located at New Delhi; hears complaints where the value exceeds Rs. 10 crore; also hears appeals from State Commissions.

Final Answer: The three-tier redressal machinery under the CP Act 2019 consists of the **District Commission** (up to Rs. 1 crore), the **State Commission** (Rs. 1 crore to Rs. 10 crore) and the **National Commission** (above Rs. 10 crore).

♥ Why This Matters

The pecuniary limits in the 2019 Act are NEW (the 1986 Act had Rs. 20 lakh, Rs. 1 crore, above Rs. 1 crore). CBSE has consistently asked the new limits since 2022. Memorise: 1 crore, 10 crore.

EXPERT'S SOLUTION : Mr Arjun Mehta, MA Economics, University of Delhi

Quick reading. Three commissions, three pecuniary brackets. Memorise the numbers in crores.

Step 1. District: \leq Rs. 1 crore.

Step 2. State: Rs. 1–10 crore + appeals.

Step 3. National: above Rs. 10 crore + appeals.

Final Answer: District Commission, State Commission and National Commission — with pecuniary limits Rs. 1 cr / Rs. 1–10 cr / above Rs. 10 cr respectively.

Short Answer Type Questions

Q 12.4 Explain any four rights of consumers as per the Consumer Protection Act, 2019.

SOLUTION

Concept used. The CP Act 2019 guarantees six consumer rights. The first four (Safety, Information, Choice, Hearing) are the most-asked combination in CBSE 4-mark questions. Each right has a one-line definition and one practical example.

Step 1. Right to Safety. Right to be protected against goods and services that are hazardous to life and health. *Example:* household appliances must carry the ISI mark; food items must carry the FSSAI logo; gold ornaments must carry BIS Hallmark.

Step 2. Right to be Informed. Right to be informed about quality, quantity, potency, purity, standard and price of goods. *Example:* packaged goods must display MRP, net weight, manufacturing date, expiry date, batch number and ingredients.

Step 3. Right to Choose. Right of access to a variety of goods and services at competitive prices. The seller cannot force the buyer to buy a particular brand. *Example:* a multiplex cannot stop a viewer from carrying outside water in any amount that the law allows.

Step 4. Right to be Heard. Right to file a complaint and be heard in the appropriate consumer forum; the right to representation in policy-making bodies set up by the government. *Example:* customer complaints cells in companies, consumer commissions at the district, state and national levels.

Final Answer: Four rights under the CP Act 2019 are: **Safety** (no hazardous goods), **Information** (full disclosure on the label), **Choice** (access to variety at fair prices) and **Hearing** (the right to file and have a complaint heard). The two remaining rights are Redressal and Consumer Education.

Exam Tip

For a 4-marks question on rights, give one-line definition + one-line example per right. Markers reward the example as much as the definition — it shows you can apply the law.

EXPERT'S SOLUTION : Dr Kavya Reddy, PhD Commerce, University of Hyderabad

Strategic angle. The four-rights bundle (Safety, Information, Choice, Hearing) is the NCERT-prescribed combination for short-answer questions. Layer one practical Indian example for each — the example is what separates a 3/4 from a 4/4.

Step 1. Safety: ISI mark on appliances, FSSAI on food, BIS Hallmark on gold.

Step 2. Information: MRP, expiry date, net weight, batch number, ingredients.

Step 3. Choice: variety at competitive prices; no tied selling.

Step 4. Hearing: customer complaints cells; three-tier commissions.

Final Answer: Safety, Information, Choice and Hearing — the four basic rights of consumers — each with a single Indian example as proof of application.

Q 12.5 State any four responsibilities of a consumer.

SOLUTION

Concept used. The CP Act 2019 gives consumers six rights but those rights are matched by six **consumer responsibilities**. The right is meaningful only if the consumer is also vigilant. The six responsibilities are: Be aware, Insist on cash memo, Look for standard marks, File a truthful complaint, Be honest, Cooperate with authorities. Naming any four is enough for 4 marks.

Step 1. Be aware. The consumer must be aware about various goods and services available in the market so that an intelligent and informed choice can be made.

Step 2. Insist on a cash memo / receipt. The consumer should buy only from a registered seller and *always insist on a cash memo or bill*. A cash memo is the evidence of sale and is required to file a complaint in a consumer commission.

Step 3. Look for standard marks. The consumer must look for standard marks on the product before purchase — ISI on electrical goods, FSSAI on food, BIS Hallmark on gold, AGMARK on agricultural produce, ECOMARK on environment-friendly products.

Step 4. File a truthful complaint. If a defect or deficiency is found, the consumer must *file a complaint in an appropriate consumer forum* promptly, truthfully and with documentary evidence (cash memo, warranty card, product photographs).

Final Answer: Four consumer responsibilities are: **Be aware** of goods and services on the market; **Insist on a cash memo** as proof of purchase; **Look for standard marks** (ISI, FSSAI, BIS Hallmark, AGMARK, ECOMARK); and **File a truthful complaint** promptly in the appropriate consumer commission.

✗ Common Mistake

Many students confuse *rights* with *responsibilities*. A right protects the consumer; a re-

sponsibility is what the consumer must do to be able to use that right. Cash memo is a **responsibility**; redressal is a **right**.

EXPERT'S SOLUTION : *Ishita Kapoor, MBA, Symbiosis Pune*

Strategic angle. Six responsibilities; pick four with the easiest one-line examples. Cash memo and standard marks are the operational pair; awareness and truthful complaint are the legal pair.

Step 1. Be aware of the marketplace.

Step 2. Cash memo / bill as proof of purchase.

Step 3. Standard marks: ISI, FSSAI, BIS, AGMARK, ECOMARK.

Step 4. File a truthful complaint with documentary evidence.

Final Answer: Be aware, insist on a cash memo, look for standard marks, file a truthful complaint — four consumer responsibilities that turn legal rights into operational protection.

Q 12.6 Explain briefly the role of consumer organisations and NGOs in protecting and promoting consumer interests.

SOLUTION

Concept used. **Consumer organisations** and **NGOs** are voluntary bodies set up to fight for the rights of consumers, complement the work of the consumer commissions, and act as an educational and pressure-group resource. India has several well-known consumer organisations: VOICE (Voluntary Organisation in Interest of Consumer Education, Delhi), CGSI (Consumer Guidance Society of India, Mumbai), CERS (Consumer Education and Research Society, Ahmedabad) and Common Cause (Delhi).

Step 1. Educating consumers. Through workshops, seminars, publications, audio-visual material and websites, they educate buyers about their rights and responsibilities.

Step 2. Publishing periodicals and journals. For example, CERS publishes *Insight* and CGSI publishes *Keemat* — consumer magazines that compare products, expose unfair trade practices, and review the marketplace.

Step 3. Carrying out comparative testing of consumer products. In accredited laboratories, organisations test products (washing powder, baby foods, electrical appliances) and publish the results to help consumers choose.

- Step 4. Encouraging consumers to take action.** They mobilise consumers to file complaints in consumer commissions and provide legal aid where needed.
- Step 5. Filing complaints and Public Interest Litigation.** Recognised consumer organisations can themselves file a complaint in a consumer commission on behalf of affected consumers, and can move the High Court or Supreme Court through PILs.
- Step 6. Filing complaints against MRP violation, adulteration etc.** They are recognised as “recognised consumer associations” under the CP Act 2019 and have legal standing to file complaints in consumer commissions.
- Step 7. Acting as pressure groups.** They lobby with the government, legislators and industry associations for stronger consumer protection laws and better enforcement.

Final Answer: Consumer organisations and NGOs (such as VOICE, CGSI, CERS, Common Cause) protect and promote consumer interests by educating consumers, publishing comparative product reviews, carrying out laboratory testing, mobilising and assisting consumers in filing complaints, filing PILs, and acting as pressure groups for stronger consumer legislation.

Exam Tip

Always name 2–3 specific consumer organisations (VOICE, CGSI, CERS, Common Cause) in your answer. Markers reward the specificity — it shows you know the Indian consumer-protection landscape, not just the textbook list of activities.

EXPERT'S SOLUTION : *Mr Arjun Mehta, MA Economics, University of Delhi*

Strategic angle. The activities of consumer organisations divide cleanly into three buckets: education (publications, workshops), advocacy (PILs, pressure groups) and operational support (filing complaints, lab testing). Walk all three buckets and name three Indian organisations.

Step 1. Education: publications (*Insight, Keemat*), workshops, websites.

Step 2. Operational: comparative lab testing; legal aid; filing complaints in commissions.

Step 3. Advocacy: PILs in the High Court / Supreme Court; pressure-group lobbying.

Final Answer: Consumer organisations like VOICE, CGSI, CERS and Common Cause educate consumers, publish comparative product reviews, carry out lab testing, file complaints and PILs, and act as pressure groups for stronger consumer protection.

Long Answer Type Questions

Q 12.7 Mention any six reliefs available to consumers under the Consumer Protection Act, 2019.

SOLUTION

Concept used. The CP Act 2019, under Sections 38(7) and 39, lists the **reliefs** (also called *orders* or *remedies*) that a consumer commission can grant after a finding in favour of the consumer. The Act mentions ten specific reliefs. Naming any six is sufficient for a 6-mark question.

- Step 1. Removal of defects from goods.** The commission may order the manufacturer or seller to remove the defect in the goods sold to the consumer.
- Step 2. Replacement of the goods.** The commission may order replacement of the defective goods with new goods of similar description, free from defect.
- Step 3. Refund of the price paid.** The commission may order the seller to refund the full price paid by the consumer (with interest from the date of purchase, in some cases).
- Step 4. Payment of compensation for loss or injury.** The commission may award compensation for any loss or injury suffered due to the defect or deficiency, including compensation for harassment, mental agony and physical pain.
- Step 5. Removal of deficiency in services.** If the case relates to a service (banking, insurance, telecom, healthcare, education), the commission may order the service provider to remove the deficiency.
- Step 6. Discontinuation of unfair trade practice.** The commission may order the manufacturer or seller to stop an unfair or restrictive trade practice and not to repeat it.
- Step 7. Withdrawal of hazardous goods from the market.** The commission may order the withdrawal of hazardous goods from sale.
- Step 8. Issue of corrective advertisement.** The commission may direct the advertiser to issue corrective advertisements to neutralise the effect of a misleading

advertisement.

Step 9. Payment of punitive damages. In appropriate cases, the commission may award punitive damages, in addition to compensation, to penalise the manufacturer or seller.

Step 10. Cessation of manufacture of hazardous goods or services. The commission may order the cessation of manufacture or provision of hazardous goods or services.

Final Answer: Six reliefs available to a consumer under the CP Act 2019 are: (1) **removal of defects** in goods, (2) **replacement** of defective goods, (3) **refund** of the price paid, (4) **compensation** for loss or injury, (5) **removal of deficiency in services**, and (6) **discontinuation of unfair trade practice**. The commission may also order withdrawal of hazardous goods, corrective advertisements and punitive damages.

♥ Why This Matters

The CP Act 2019 has expanded the reliefs available compared with the 1986 Act — “corrective advertisement” and “punitive damages” are new. Always say “CP Act, 2019” not “CP Act, 1986” in your answer.

EXPERT'S SOLUTION : Dr Kavya Reddy, PhD Commerce, University of Hyderabad

Strategic angle. Six reliefs out of ten is the standard CBSE ask. Bundle the answer into three pairs: (a) goods reliefs — defect-removal, replacement, refund; (b) compensation and service reliefs — compensation, removal of deficiency, withdrawal of hazardous goods; (c) deterrence reliefs — discontinuation of unfair trade practice, corrective advertisement, punitive damages, cessation of manufacture.

Step 1. Goods bucket: remove defect / replace / refund.

Step 2. Compensation & service bucket: compensate / remove deficiency / withdraw hazardous goods.

Step 3. Deterrence bucket: stop the unfair practice / corrective ad / punitive damages / cessation of manufacture.

Final Answer: Removal of defects, replacement, refund, compensation, removal of deficiency in services and discontinuation of the unfair trade practice — six of the ten reliefs that a consumer commission can grant under the CP Act 2019.

Q 12.8 Who can file a complaint under the Consumer Protection Act, 2019? Explain.

SOLUTION

Concept used. The CP Act 2019, in Section 2(5), defines *complainant* — the persons or bodies competent to file a complaint in a consumer commission. The Act deliberately widens the definition compared with 1986 to allow voluntary organisations and the government itself to bring cases.

Step 1. A consumer. Any *consumer* (defined in Section 2(7) as any person who buys goods or hires services for personal use, not for resale or commercial use) can file a complaint. This is the most common complainant.

Step 2. Any registered consumer organisation. A consumer association registered under the Companies Act 2013 or any other law for the time being in force can file a complaint on behalf of any consumer, regardless of whether the consumer is itself a member of that organisation.

Step 3. The Central or State Government. Either the Central Government, any State Government, or the Central Consumer Protection Authority (CCPA — a new body set up under the 2019 Act) can file a complaint, either on its own or on behalf of consumers generally.

Step 4. One or more consumers, where there are numerous consumers having the same interest. A class-action style complaint can be filed on behalf of all consumers affected by the same defect, deficiency or unfair trade practice (Section 35(1)(c)).

Step 5. The legal heir or representative of a deceased consumer. If the consumer has died, the legal heir or representative may file the complaint.

Step 6. A parent or legal guardian. On behalf of a minor consumer or a person of unsound mind, the parent or legal guardian may file the complaint.

Final Answer: Six categories of persons can file a complaint under the CP Act 2019: (1) a **consumer**; (2) a **registered consumer organisation**; (3) the **Central or State Government** or the Central Consumer Protection Authority (CCPA); (4) **one or more consumers with the same interest** (class action); (5) the **legal heir or representative** of a deceased consumer; and (6) a **parent or legal guardian** of a minor or person of unsound mind.

Exam Tip

The CCPA is new in the 2019 Act and is a frequent MCQ pick. Always name it in your long-answer along with the older complainant categories.

EXPERT'S SOLUTION : Mr Arjun Mehta, MA Economics, University of Delhi

Strategic angle. Six complainant categories. Group them into three pairs: (a) the consumer pair — the consumer himself + the legal heir or guardian; (b) the institutional pair — registered consumer organisation + the CCPA / government; (c) the collective pair — multiple consumers with the same interest + the parent on behalf of a minor.

Step 1. Consumer pair: consumer + legal heir / guardian.

Step 2. Institutional pair: registered consumer organisation + Central / State Govt / CCPA.

Step 3. Collective pair: class of consumers + parent / guardian for a minor or person of unsound mind.

Final Answer: A consumer, a registered consumer organisation, the Central or State Government or CCPA, one or more consumers having the same interest (class action), the legal heir of a deceased consumer, or a parent / guardian of a minor — the six categories of persons authorised to file a complaint under the CP Act 2019.

Q 12.9 State any six “ways and means” or measures of consumer protection.

SOLUTION

Concept used. Consumer protection in India operates through six broad **ways and means**, working together to give the consumer a complete shield against defects, deficiency and unfair trade practices.

Step 1. Self-regulation by business. Socially responsible firms follow ethical standards and fair business practices voluntarily. The Confederation of Indian Industry (CII) and FICCI have framed voluntary codes of conduct. Many firms have in-house customer service cells to handle complaints.

Step 2. Business associations. Chambers of commerce like CII, FICCI, ASSOCHAM and their member companies have framed codes of conduct that lay down the rights and responsibilities of their members vis-à-vis consumers. These codes act as *self-regulatory* discipline for the industry.

Step 3. Consumer awareness. Aware consumers are the best protection. They look for standard marks (ISI, FSSAI, BIS Hallmark, AGMARK), they read the labels, they compare prices, they check ingredients, they keep cash memos.

Step 4. Consumer organisations. VOICE, CGSI, CERS, Common Cause and other

voluntary bodies educate consumers, do comparative testing, file complaints on behalf of consumers, and act as pressure groups.

Step 5. Government legal regime. The Consumer Protection Act 2019 is the central law. Many other laws also indirectly protect consumers: the Sale of Goods Act 1930, the Essential Commodities Act 1955, the Prevention of Food Adulteration Act 1954, the Standards of Weights and Measures Act 1976, the Bureau of Indian Standards Act 1986, the Trade Marks Act 1999, and the Drug and Magic Remedies (Objectionable Advertisements) Act 1954.

Step 6. Three-tier redressal machinery. The District, State and National Commissions established under the CP Act 2019 provide a quick, inexpensive and consumer-friendly judicial remedy in case of disputes.

Final Answer: The six ways and means of consumer protection are: (1) **self-regulation by business**; (2) **business associations** (CII, FICCI) and their codes of conduct; (3) **consumer awareness**; (4) **consumer organisations** like VOICE, CGSI, CERS; (5) **government legal regime** (CP Act 2019 and supporting laws); and (6) the **three-tier redressal machinery** (District, State, National Commissions).

♥ Why This Matters

Long-answer questions on “ways and means” have been the modal Section-D question for this chapter in CBSE Boards 2022, 2023, 2024. Memorise the six headings and the key example under each.

EXPERT'S SOLUTION : Dr Kavya Reddy, PhD Commerce, University of Hyderabad

Strategic angle. Six ways and means; group them into three pairs: (a) the *business* pair — self-regulation + business associations; (b) the *consumer* pair — awareness + consumer organisations; (c) the *state* pair — legal regime + redressal machinery. Each pair is a side of the consumer-protection triangle.

Step 1. Business: self-regulation + CII/FICCI codes.

Step 2. Consumer: awareness (standard marks, cash memo) + organisations (VOICE, CGSI, CERS).

Step 3. State: CP Act 2019 + supporting laws + three-tier commissions.

Final Answer: Self-regulation, business associations, consumer awareness, consumer organisations, the legal regime and the three-tier redressal machinery — the six pillars of consumer protection in India, working together to shield the consumer from defects, deficiency and unfair trade practices.

End of NCERT Solutions — Class 12 Business Studies Chapter 12 Consumer Protection

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