Consumer Affairs and Customer Care PYQ 2017

Q1 a 'An individual is motivated to buy products and services far different reasons'. In the light of the above statement explain the various types of buying motives?

Ans. The statement "An individual is motivated to buy products and services for different reasons" highlights the fact that consumers are motivated by various factors when making purchasing decisions. These motivating factors, also known as buying motives, can be broadly categorized into several types:

Functional buying motives: These motives are driven by the functional or utilitarian aspects of a product or service. Consumers may be motivated to buy a product or service because it meets a specific need or solves a particular problem. For example, a person may buy a winter coat to keep warm during cold weather, or purchase a mobile phone for communication purposes.

Emotional buying motives: These motives are based on emotional needs or desires of consumers. Emotional buying motives can be related to feelings of happiness, joy, excitement, or even fear. For example, a person may buy a luxury car to experience a sense of status or prestige, or purchase a piece of jewelry as a symbol of love and affection.

Social buying motives: These motives are influenced by social factors and the need to conform to social norms. Consumers may be motivated to buy products or services to gain social approval, fit in with a particular group, or meet societal expectations. For example, a person may buy a trendy fashion item to be seen as fashionable among their peer group or purchase a gift for a social event to conform to social etiquette.

Psychological buying motives: These motives are driven by psychological factors such as perception, attitude, and personality of the consumer. Consumers may be motivated to buy products or services based on their perception of the product, their attitude towards it, or their personality traits. For example, a person may buy a particular brand of sports shoes because they perceive it to be of high quality, have a positive attitude towards the brand, or identify with the brand's personality traits such as being adventurous or sporty.

Cultural buying motives: These motives are influenced by cultural factors such as cultural beliefs, values, and traditions. Consumers may be motivated to buy products or services that align with their cultural background or beliefs. For example, a person from a particular culture may buy traditional clothing or food items that are associated with their cultural heritage.

It's important to note that buying motives can vary from one individual to another and can even change for the same individual depending on the context and situation. Understanding the various types of buying motives can help businesses better understand consumer behavior and tailor their marketing strategies accordingly to effectively meet the diverse motivations of consumers.

Q1 b Explain the various strategies adopted by companies to build customer loyalty ?

Ans. Building customer loyalty is crucial for businesses as it leads to repeat purchases, positive wordof-mouth marketing, and long-term customer relationships. Here are several strategies that companies commonly adopt to build customer loyalty:

Excellent customer service: Providing exceptional customer service is one of the most effective ways to build customer loyalty. Companies can invest in training their employees to be responsive, friendly, and knowledgeable, and ensure that customer inquiries, complaints, and feedback are addressed promptly and efficiently.

Personalization: Companies can personalize their interactions with customers by using customer data to understand their preferences, needs, and behaviors. By tailoring offers, recommendations, and communications to individual customers, companies can create a personalized experience that makes customers feel valued and appreciated.

Loyalty programs: Implementing a loyalty program can incentivize customers to continue doing business with a company. Loyalty programs can include rewards, discounts, exclusive offers, and points accumulation systems that encourage repeat purchases and foster customer loyalty.

Regular communication: Maintaining regular communication with customers through channels such as email newsletters, social media, or personalized promotions can keep customers engaged and informed about new products, special offers, or upcoming events. This helps to establish a strong brand-customer relationship and encourages repeat business.

Quality products and services: Offering high-quality products and services that meet or exceed customer expectations is critical in building customer loyalty. When customers receive value from their purchases and have a positive experience, they are more likely to become repeat customers and develop loyalty towards the brand.

Post-purchase follow-up: Following up with customers after a purchase to ensure their satisfaction and address any concerns or issues they may have can show customers that the company cares about their experience beyond the initial sale. This can help to build trust and loyalty.

Social responsibility: Demonstrating corporate social responsibility by supporting charitable causes, promoting sustainability, or engaging in community initiatives can resonate with customers who value ethical and socially responsible business practices. This can create a positive perception of the brand and foster customer loyalty.

Listening to customer feedback: Actively seeking and listening to customer feedback, whether through surveys, reviews, or social media, and taking appropriate actions to address their concerns or suggestions can show customers that their opinions are valued. This can lead to increased customer loyalty as customers feel heard and appreciated.

Consistency in brand experience: Consistency in the brand experience across all touchpoints, including online and offline interactions, packaging, branding, and messaging, can help to build customer loyalty. When customers consistently have a positive experience with a brand, it reinforces their trust and loyalty towards the brand.

Employee engagement: Engaging and motivating employees to provide excellent customer service, be brand advocates, and build relationships with customers can positively impact customer loyalty. Happy and engaged employees are more likely to provide a superior customer experience, leading to increased customer loyalty.

Implementing these strategies consistently and effectively can help companies build customer loyalty, create brand advocates, and establish long-term customer relationships, leading to sustained business success.

OR

Q1 a Explain the term 'deficiency in service' with relation to the Consumer Protection Act 1986 with a suitable case decided by Supreme Court or National Commission ?

Ans. In the context of the Consumer Protection Act, 1986 (CPA), the term "deficiency in service" refers to a situation where a service provider fails to meet the expectations, standards, or promises made to a consumer while providing a service, resulting in a deficiency or lack of quality in the service provided. It can include various types of failures such as delay, negligence, incompetence, non-performance, or any act or omission that falls short of what is expected from a reasonable and prudent service provider.

A notable case that illustrates the concept of deficiency in service under the CPA is the case of Lucknow Development Authority (LDA) v. M.K. Gupta, decided by the National Consumer Disputes Redressal Commission (NCDRC) in 2018.

In this case, the complainant, Mr. M.K. Gupta, had applied for a plot of land from the Lucknow Development Authority (LDA) and made the required payments. However, despite repeated followups, the LDA failed to allot the plot to Mr. Gupta for a considerable period of time, causing him mental agony and financial loss. Mr. Gupta filed a complaint before the NCDRC, alleging deficiency in service by the LDA.

The NCDRC held that the LDA's failure to allot the plot to Mr. Gupta within a reasonable time amounted to deficiency in service under the CPA. The NCDRC held that the LDA's duty was not only limited to accepting the application and collecting the payment but also to ensure timely allotment of the plot as promised. The NCDRC directed the LDA to allot the plot to Mr. Gupta within a specified timeframe and awarded compensation for the mental agony and financial loss suffered by Mr. Gupta due to the deficiency in service.

This case highlights that under the CPA, a deficiency in service can occur when a service provider fails to fulfill its obligations as per the terms of the service agreement or fails to meet the reasonable expectations of the consumer, resulting in harm or loss to the consumer. Consumers have the right to seek redressal for such deficiencies in service through the consumer dispute redressal forums established under the CPA.

Q1 b Critically examine the various problems faced by both rural and urban consumers in market economy?

Ans. In a market economy, both rural and urban consumers face various problems that can affect their ability to make informed choices, protect their rights, and access essential goods and services. Some of the key problems faced by rural and urban consumers are:

Information Asymmetry: Consumers, both rural and urban, often face information asymmetry, where they may not have complete and accurate information about the quality, price, and features of the products or services they are purchasing. This can lead to uninformed decision-making and exploitation by unscrupulous sellers.

Lack of Access to Basic Goods and Services: In rural areas, consumers may face challenges in accessing basic goods and services, such as clean drinking water, electricity, healthcare, education, and transportation. Limited availability and poor quality of these essential goods and services can adversely affect the well-being and standard of living of rural consumers. In urban areas, consumers may face issues related to affordability and availability of housing, healthcare, education, and transportation, which can impact their quality of life.

Exploitative Practices: Both rural and urban consumers can fall victim to exploitative practices by unscrupulous sellers, such as overcharging, false advertising, unfair trade practices, and sale of counterfeit or substandard products. These practices can result in financial losses and harm to the interests of consumers.

Lack of Consumer Awareness and Education: Many consumers, both rural and urban, may lack awareness about their rights and responsibilities as consumers, as well as knowledge about market dynamics, pricing mechanisms, and consumer protection laws. This can leave them vulnerable to exploitation and limit their ability to assert their consumer rights.

Limited Access to Redressal Mechanisms: Rural consumers, in particular, may face challenges in accessing formal consumer dispute redressal mechanisms due to geographical remoteness, lack of awareness, and limited availability of such mechanisms in rural areas. Urban consumers may also face delays and complexities in accessing redressal mechanisms, which can undermine their ability to seek timely and effective remedies.

Disparities in Economic Power: In both rural and urban areas, consumers may face disparities in economic power, where powerful market players or sellers may exploit consumers with limited bargaining power. This can lead to unfair practices, discrimination, and inequalities in the market, which can adversely impact the interests of consumers.

In conclusion, both rural and urban consumers face various challenges in a market economy, including information asymmetry, lack of access to basic goods and services, exploitative practices, limited consumer awareness and education, limited access to redressal mechanisms, and disparities in economic power. Addressing these problems requires robust consumer protection laws, effective enforcement mechanisms, consumer education and awareness programs, and efforts to ensure fair and competitive markets that prioritize consumer welfare.

Q2. Explain the following terms with help of examples.

(a) MRP: A deceptive price

(b) Fair price

(c) Grey market price

Ans. (a) MRP: MRP stands for Maximum Retail Price, which is the maximum price that can be charged by a seller for a product or service as per the guidelines of the government or the manufacturer. It is printed on the product or its packaging and is inclusive of all taxes and charges.

However, in some cases, MRP can be considered as a deceptive price when sellers charge more than the MRP, thereby misleading consumers and engaging in unfair trade practices.

Example: Mr. Sharma goes to a grocery store to buy a pack of biscuits. The MRP printed on the pack is Rs. 20, but the store owner charges him Rs. 25 for the same pack. This would be considered as a deceptive price, as the store owner is charging more than the MRP, misleading Mr. Sharma and engaging in unfair trade practices.

(b) Fair Price: Fair price refers to a price that is reasonable, just, and transparent, and is determined through a fair and competitive market process. It ensures that consumers are charged a reasonable price for a product or service, without any exploitation or unfair practices.

Example: A vegetable vendor in a local market sells tomatoes at a price of Rs. 30 per kilogram, which is consistent with the prevailing market rates and quality of the tomatoes. This can be considered as a fair price, as it is reasonable, transparent, and determined through a fair market process.

(c) Grey Market Price: Grey market price refers to the price at which a product or service is sold outside of the authorized distribution channels, often without the manufacturer's consent. Grey market products are genuine products that are sold outside the official distribution network, usually through unauthorized sellers or channels. The grey market price may be higher or lower than the regular market price, depending on factors such as demand, availability, and location.

Example: XYZ Electronics is a popular brand of smartphones. The official price of a XYZ smartphone in the market is Rs. 20,000, but due to limited availability in the market, some unauthorized sellers are selling the same smartphone at Rs. 25,000 in a different location, which is higher than the regular market price. This would be considered as a grey market price, as it is being sold outside the authorized distribution channel and may not have the consent of the manufacturer.

OR

Q2. Briefly explain the stages in the consumer buying process .Do all consumers pass through all the stages in buying say toothpaste or a new car

Ans. The consumer buying process, also known as the buyer decision process, typically consists of several stages that a consumer goes through when making a purchase decision. These stages are as follows:

Need Recognition: The consumer realizes a need or a problem that requires a solution. This need can arise from internal factors such as physiological or psychological needs, or external factors such as marketing stimuli, social influences, or environmental factors.

Example: A consumer realizes that they need toothpaste because they have run out of their current supply, or they have developed sensitivity in their teeth and need a toothpaste specifically formulated for sensitive teeth.

Information Search: The consumer conducts research to gather information about various options available in the market to fulfill their need. This can involve seeking information from various sources such as personal sources, commercial sources, public sources, or experiential sources.

Example: The consumer may search for different brands of toothpaste online, read reviews, compare prices, and ask friends or family for recommendations before making a decision.

Evaluation of Alternatives: The consumer evaluates the different options or alternatives available based on their needs, preferences, and other decision criteria such as price, quality, brand reputation, features, and benefits.

Example: The consumer may compare different toothpaste brands based on factors such as price, ingredients, brand reputation, flavor, and effectiveness in addressing their specific dental concerns.

Purchase Decision: The consumer makes a decision to purchase a particular product or service based on the evaluation of alternatives. This decision can be influenced by various factors such as personal, social, psychological, and situational factors.

Example: The consumer decides to purchase a particular brand of toothpaste based on their research, evaluation of alternatives, and personal preferences, and proceeds to buy it from a store or online.

Post-purchase Behavior: After making the purchase, the consumer may evaluate their satisfaction with the product or service and engage in post-purchase behaviors such as product usage, postpurchase evaluation, and sharing their experience with others.

Example: The consumer may use the toothpaste, evaluate its effectiveness, and compare it with their expectations. If the toothpaste meets their expectations, they may continue to repurchase it in the future or recommend it to others. However, if they are dissatisfied, they may switch to a different brand or share their negative experience with others.

It's important to note that not all consumers may go through all these stages in every purchase decision. The level of involvement, complexity, and decision-making process may vary depending on the product or service being purchased. For example, a low-cost, low-involvement product like toothpaste may involve minimal information search and evaluation of alternatives, while a high-cost, high-involvement product like a new car may involve extensive research, evaluation, and comparison before making a purchase decision.

Q3 a Describe consumer's right to safety and right to information as defined under the Consumer Protection Act, 19867 Also mention about the World Consumer Right's Day?

Ans. Consumer's Right to Safety: Consumer's right to safety, as defined under the Consumer Protection Act, 1986, is the right of consumers to be protected against goods or services that are hazardous to their health or safety. It means that consumers have the right to expect that the products or services they purchase should not pose any threat to their health or safety when used as intended or in a reasonably foreseeable manner.

Examples of consumer's right to safety include:

Protection against unsafe products: Consumers have the right to expect that the products they purchase are safe to use and do not pose any risks to their health or safety. For example, a consumer has the right to expect that an electric appliance, such as a toaster or a hairdryer, is designed and manufactured in a way that minimizes the risk of electrical shocks or fires.

Protection against hazardous services: Consumers have the right to expect that the services they avail are safe and do not pose any risks to their health or safety. For example, a consumer has the right to expect that a beauty salon or a healthcare service provider maintains proper hygiene standards and uses safe practices and equipment during the provision of services.

Consumer's Right to Information: Consumer's right to information, as defined under the Consumer Protection Act, 1986, is the right of consumers to be informed about the quality, quantity, potency, purity, standard, and price of goods or services they purchase. It means that consumers have the right to accurate, transparent, and complete information that enables them to make informed choices and decisions.

Examples of consumer's right to information include:

Labeling and packaging: Consumers have the right to expect that the products they purchase are labeled and packaged in a clear and informative manner. For example, food products should have accurate and clear labeling indicating the ingredients, nutritional information, manufacturing and expiry dates, and storage instructions.

Advertising and marketing: Consumers have the right to expect that the advertising and marketing of products or services are truthful, transparent, and not misleading. For example, advertisements should not make false claims about the quality, effectiveness, or benefits of a product or service.

World Consumer Rights Day:

World Consumer Rights Day is celebrated annually on March 15th and is observed as an international day for promoting and protecting consumer rights. It serves as an opportunity to raise awareness about consumer rights, highlight consumer issues, advocate for consumer protection policies and regulations, and promote fair and transparent business practices.

World Consumer Rights Day is celebrated by consumer organizations, government agencies, advocacy groups, and other stakeholders through various activities such as public awareness campaigns, seminars, workshops, media events, and social media campaigns. The day provides a platform for consumers to voice their concerns, seek redressal for grievances, and advocate for their rights in the marketplace. Each year, World Consumer Rights Day focuses on a specific theme related to consumer rights, and activities are organized around that theme to highlight different aspects of consumer protection.

Q3 b Who is a 'consumer' ? Explain it from business and legal perspective?

Ans. From a business perspective, a consumer is an individual or entity who purchases goods or services for personal, household, or family use. In the context of business, a consumer is the end user of products or services who ultimately consumes or utilizes them. Consumers are the target market for businesses, and the success of a business depends on its ability to attract and satisfy consumers by providing them with products or services that meet their needs and expectations.

From a legal perspective, the definition of a consumer may vary depending on the jurisdiction and applicable laws. However, in general, a consumer is an individual or entity who purchases goods or services for personal, household, or family use, and is protected by consumer protection laws and regulations. Consumer protection laws aim to safeguard the rights and interests of consumers in their transactions with businesses and provide legal remedies in case of unfair, deceptive, or fraudulent practices by businesses.

In many countries, including India, the Consumer Protection Act, 1986 provides a legal framework for defining and protecting the rights of consumers. According to the Consumer Protection Act, 1986 in India, a consumer is defined as:

A person who buys any goods for consideration (payment) or hires or avails of any services for consideration; or

Any person who uses the goods with the approval of the buyer or hires or avails of any services with the approval of the person who has hired or availed of the services, and includes any other user of such goods or recipient of such services when such use is made with the approval of the buyer, but does not include a person who obtains such goods for resale or for any commercial purpose.

It's important to note that the definition of a consumer may have specific criteria and exceptions under the applicable laws of a particular jurisdiction, and legal advice should be sought for a comprehensive understanding of consumer rights and protection in a specific context.

OR

Q3 a Write a note on consumer organizations and cheir role in the consumer movement. Mention any three-voluntary consumer organization's (VCO's) working for consumer welfare in India?

Ans. Note on Consumer Organizations and Their Role in the Consumer Movement

Consumer organizations play a crucial role in safeguarding the rights and interests of consumers, advocating for their welfare, and promoting consumer awareness. These organizations act as a voice for consumers, representing their concerns and grievances, and work towards creating a fair and transparent consumer environment. In India, there are several voluntary consumer organizations (VCOs) that are actively engaged in consumer protection and welfare, promoting consumer rights, and empowering consumers through education and advocacy.

Three prominent voluntary consumer organizations (VCOs) working for consumer welfare in India are:

Consumer Guidance Society of India (CGSI): CGSI is a Mumbai-based VCO that has been working towards consumer protection and welfare since 1966. It conducts research, educates consumers, and advocates for consumer rights through various programs and initiatives. CGSI also provides assistance to consumers in resolving complaints against unfair trade practices and product/service deficiencies, and conducts consumer awareness campaigns to promote consumer empowerment.

Consumer Voice: Consumer Voice is a Delhi-based VCO that has been working for consumer welfare since 1983. It focuses on issues related to consumer safety, health, and rights, and conducts research, advocacy, and awareness campaigns on consumer-related topics such as food safety, health, and education. Consumer Voice also engages in policy advocacy and collaborates with government agencies and other stakeholders to promote consumer-friendly policies and regulations.

CUTS International: CUTS (Consumer Unity & Trust Society) International is a leading consumer research and advocacy organization based in Jaipur, Rajasthan. It works towards promoting consumer rights, consumer protection, and fair trade practices through research, advocacy, and capacity-building initiatives. CUTS International also conducts awareness campaigns, consumer education programs, and policy advocacy at the national and international levels to promote consumer welfare.

These voluntary consumer organizations play a significant role in the consumer movement in India by advocating for consumer rights, providing assistance to consumers in resolving complaints, conducting research, raising awareness, and engaging in policy advocacy. They contribute to promoting a fair and transparent consumer environment and empowering consumers to make informed choices and protect their interests.

Q3 b State the constitution and objectives of Central Consumer Protection Council?

Ans. The Central Consumer Protection Council (CCPC) is a statutory body established under the Consumer Protection Act, 2019, which is the primary legislation governing consumer protection in India. The CCPC serves as a platform for dialogue between the government and various stakeholders, including consumer organizations, industry representatives, and other relevant entities, to discuss and address issues related to consumer protection at the national level.

The constitution of the Central Consumer Protection Council is as follows:

Chairperson: The Minister-in-charge of the Department of Consumer Affairs in the Government of India serves as the Chairperson of the CCPC.

Members: The CCPC consists of a maximum of 37 members, including the Chairperson. The members include representatives from consumer organizations, industry associations, professional bodies, and other relevant sectors, as well as government officials from relevant ministries and departments.

The objectives of the Central Consumer Protection Council are as follows:

Advise: The CCPC advises the Central Government on matters related to the implementation of consumer protection laws, policies, and programs in India.

Coordination: The CCPC promotes coordination and cooperation among various stakeholders, including government agencies, consumer organizations, and industry representatives, to ensure effective implementation of consumer protection measures.

Advocacy: The CCPC advocates for the protection of consumer rights and interests, and promotes consumer awareness and education through campaigns, programs, and initiatives.

Policy formulation: The CCPC contributes to the formulation of national policies and regulations related to consumer protection, based on inputs received from stakeholders and its own research and analysis.

Grievance redressal: The CCPC facilitates the redressal of consumer grievances by providing a platform for consumers to voice their concerns, and by recommending appropriate measures to address consumer complaints and disputes.

Monitoring and evaluation: The CCPC monitors the implementation of consumer protection laws, policies, and programs, and evaluates their effectiveness in achieving the objectives of consumer welfare.

Overall, the Central Consumer Protection Council plays a crucial role in advising the government, coordinating stakeholders, advocating for consumer rights, and monitoring consumer protection measures at the national level in India.

Q4 a Explain the concept of comparative testing and also write down the process o comparative testing?

Ans. Concept of Comparative Testing:

Comparative testing, also known as comparative product testing or comparative analysis, is a method used to evaluate and compare the performance, quality, safety, or other characteristics of different products or services. It involves testing multiple products or services under controlled and standardized conditions to objectively assess their similarities and differences, and provide consumers with information to make informed purchasing decisions.

The process of Comparative Testing typically involves the following steps:

Objective Identification: The first step in comparative testing is to clearly define the objective or purpose of the testing. This includes identifying the specific characteristics or parameters that will be evaluated, such as performance, quality, safety, durability, or other relevant factors.

Sample Selection: The next step is to select a representative sample of products or services that will be tested. The sample should be carefully chosen to ensure that it is statistically valid and represents a relevant and diverse range of products or services that are available in the market.

Test Design: The test design involves developing a standardized testing methodology and procedure that will be used to evaluate the selected products or services. This includes specifying the testing criteria, testing equipment, measurement techniques, and other relevant details.

Testing Execution: Once the test design is established, the actual testing is conducted. This may involve performing a series of tests on each product or service according to the predefined methodology and recording the results.

Data Analysis: After the testing is completed, the collected data is analyzed to interpret the results and draw conclusions. This may involve statistical analysis, comparison of test results, and evaluation of performance or quality ratings.

Reporting: The findings of the comparative testing are compiled and reported in an unbiased and transparent manner. The report typically includes details of the test methodology, results, conclusions, and any other relevant information that may help consumers make informed decisions.

Dissemination of Results: The results of comparative testing are typically disseminated to consumers through various means, such as publication in consumer reports, online portals, or other media channels. The information may also be shared with relevant stakeholders, such as manufacturers, regulators, or consumer organizations, to encourage improvements in product quality or safety.

It is important to note that comparative testing should be conducted in an unbiased and transparent manner, with adherence to scientific principles, standardized testing protocols, and ethical considerations to ensure the reliability and validity of the results.

Q4 b Explain the various laws which regulate advertising in India?

Ans. Advertising in India is regulated by several laws and regulations, which aim to ensure that advertisements are truthful, fair, and do not mislead consumers. The main laws that govern advertising in India are:

The Advertising Standards Council of India (ASCI) Code: The ASCI is a self-regulatory body established by the advertising industry in India. The ASCI has formulated a voluntary code of self-regulation, known as the ASCI Code, which sets forth guidelines for advertising content, including principles related to truthfulness, fairness, and decency in advertising. The ASCI Code covers various aspects of advertising, such as product claims, testimonials, comparisons, and more, and aims to promote responsible advertising practices.

The Consumer Protection Act, 2019: The Consumer Protection Act, 2019, is a comprehensive legislation that governs consumer protection in India. The Act prohibits unfair trade practices, including false and misleading advertisements, and provides for consumer rights, such as the right to be informed, the right to choose, and the right to seek redressal. The Act empowers consumers to file complaints against misleading advertisements with the relevant consumer forums, which have the authority to take action against violators.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954: The Drugs and Magic Remedies Act, 1954, prohibits advertisements that make false or misleading claims about drugs or magical remedies for the treatment of certain diseases and disorders specified in the Act. The Act aims to regulate the advertisement of drugs and prevent the promotion of unproven or harmful remedies to consumers.

The Cable Television Networks (Regulation) Act, 1995: The Cable Television Networks (Regulation) Act, 1995, governs the content of television advertisements in India. It prohibits the telecast of advertisements that are obscene, defamatory, misleading, or offensive to public morality. The Act empowers the Ministry of Information and Broadcasting to regulate the content of advertisements on television and take action against violators.

The Central Board of Film Certification (CBFC) Guidelines: The CBFC, also known as the Censor Board, is a statutory body responsible for certifying films in India. The CBFC has guidelines that govern the content of film advertisements, including principles related to decency, truthfulness, and fairness. The CBFC ensures that advertisements shown in films comply with these guidelines before granting certification for public exhibition.

Apart from these laws, there may be other sector-specific laws and regulations that govern advertising in India, such as the Food Safety and Standards Act, 2006, the Telecom Regulatory Authority of India (TRAI) Guidelines on Advertising and Broadcasting Standards, and the Advertising Code under the All India Radio (AIR) and Doordarshan. Advertisers and marketers are expected to comply with these laws and regulations to ensure responsible and ethical advertising practices in India.

OR

Q4 a What is standardization? Elucidate the Hall-Marking Scheme of BIS.

Ans. Standardization refers to the process of establishing and implementing standards for products, services, processes, or systems to ensure that they meet predefined requirements for quality, safety, performance, or other relevant characteristics. Standards are developed and published by standardsetting organizations, which may be national, regional, or international bodies, and are widely recognized as benchmark guidelines for ensuring consistency, interoperability, and reliability in various domains.

Hallmarking is a form of standardization that is widely used in the jewelry industry to ensure the quality and purity of precious metal articles, such as gold, silver, and platinum. In India, the Hallmarking Scheme is implemented by the Bureau of Indian Standards (BIS), which is the national standard-setting body and operates under the Ministry of Consumer Affairs, Food and Public Distribution.

The Hallmarking Scheme of BIS is a voluntary certification program that provides assurance to consumers about the quality and purity of precious metal articles. The scheme involves the following key elements:

Testing and Certification: Under the Hallmarking Scheme, precious metal articles are tested in BIS recognized laboratories to determine their purity and quality. The articles that meet the prescribed standards are then certified with the BIS hallmark, which includes the BIS logo, purity grade, and identification mark of the jeweler.

Purity Grades: The Hallmarking Scheme defines purity grades for gold, silver, and platinum articles based on their percentage of pure metal content. For example, gold articles may be certified with purity grades such as 22K, 18K, or 14K, which indicate the percentage of gold content in the article.

Identification Mark: The identification mark of the jeweler, also known as the jeweler's code, is an important element of the BIS hallmark. It uniquely identifies the jeweler who has manufactured or sold the precious metal article and is engraved on the article along with the BIS logo and purity grade.

Surveillance and Enforcement: BIS conducts regular surveillance and monitoring of hallmarking centers, laboratories, and jewelers to ensure compliance with the Hallmarking Scheme. Noncompliance can result in penalties and cancellation of hallmarking licenses.

The Hallmarking Scheme of BIS aims to protect consumers from counterfeit or substandard precious metal articles and promote consumer confidence in the jewelry market. It provides a reliable means for consumers to identify genuine and quality jewelry articles and make informed purchasing decisions.

Q4 b Write a note on "Anti-Competitive agreement". How does the competition Act 2002 check abuse of dominan position of an enterprise?

Ans. An anti-competitive agreement refers to any agreement, arrangement, or understanding between enterprises that restricts competition in the market and has the potential to harm consumer welfare. Anti-competitive agreements can take various forms, such as price fixing, bid rigging, market sharing, and collusion, and are considered detrimental to the principles of free and fair competition.

The Competition Act, 2002 is a legislation in India that seeks to promote and sustain competition in the market, protect the interests of consumers, and prevent anti-competitive practices. The Act provides provisions to address anti-competitive agreements and abuse of dominant position by enterprises.

Anti-competitive agreements: The Competition Act, 2002 prohibits anti-competitive agreements under Section 3. It states that no enterprise or association of enterprises shall enter into any agreement that causes or is likely to cause an appreciable adverse effect on competition in India. The Act provides a broad definition of anti-competitive agreements, including agreements related to price manipulation, output limitation, bid rigging, and market allocation, among others. Such agreements are considered void and unenforceable.

Abuse of dominant position: The Competition Act, 2002 also addresses abuse of dominant position by enterprises under Section 4. It prohibits any enterprise or group from abusing its dominant position in a relevant market, which may include actions that restrict competition, hinder entry of new players, exploit consumers, or engage in unfair trade practices. Abuse of dominant position may include predatory pricing, refusal to deal, tie-in arrangements, and unfair trade practices, among others.

The Competition Act, 2002 empowers the Competition Commission of India (CCI), which is the regulatory authority established under the Act, to investigate and take action against anticompetitive agreements and abuse of dominant position. The CCI has the authority to impose penalties, issue cease and desist orders, and take corrective measures to restore competition in the market.

The Act also provides for a leniency program, wherein enterprises involved in anti-competitive agreements can avail themselves of lenient treatment if they cooperate with the CCI in the investigation and provide information about the anti-competitive conduct. This encourages enterprises to come forward and disclose anti-competitive practices, leading to effective enforcement of the Act.

In conclusion, the Competition Act, 2002 plays a crucial role in checking the abuse of dominant position and anti-competitive agreements by enterprises in India. It provides a legal framework for promoting competition, safeguarding consumer interests, and ensuring a level playing field in the market. The enforcement of the Act by the CCI helps deter anti-competitive practices and promotes fair competition, ultimately benefiting consumers and fostering economic growth.

Q5. Write short notes on :

(a) Role of banking ombudsman

(b) FSSAI its role in safe food

(c) ISO 26000

(d) Code of INS in regulating misleading advertisement

Ans. (a) Role of banking ombudsman:

Banking ombudsman is an independent and impartial dispute resolution mechanism provided by the Reserve Bank of India (RBI) to address grievances and complaints of customers against banks. The role of banking ombudsman includes:

Resolving customer complaints: Banking ombudsman acts as a mediator between the customer and the bank, and attempts to resolve complaints related to banking services, such as ATM and debit card issues, credit card disputes, unfair practices, non-adherence to banking codes and standards, etc.

Facilitating fair and speedy resolution: Banking ombudsman ensures that the complaints are resolved in a fair, transparent, and timely manner. They facilitate negotiations between the parties and strive to achieve a mutually acceptable resolution.

Ensuring compliance with banking regulations: Banking ombudsman monitors and enforces compliance with banking regulations and guidelines issued by RBI. They ensure that banks adhere to the banking codes, standards, and practices to protect the interests of customers.

(b) FSSAI and its role in safe food:

FSSAI stands for the Food Safety and Standards Authority of India. It is a statutory body established under the Food Safety and Standards Act, 2006, and is responsible for regulating and overseeing the safety and standards of food in India. The role of FSSAI includes:

Setting food standards: FSSAI sets standards for food products, including permissible limits for various contaminants, additives, and residues in food items, to ensure the safety and quality of food consumed by the public.

Regulating food businesses: FSSAI issues licenses and registrations to food businesses, monitors their compliance with food safety regulations, and takes necessary enforcement actions to prevent adulteration, contamination, and unsafe practices in food production, processing, storage, and distribution.

Creating awareness and promoting food safety: FSSAI conducts awareness campaigns, educates consumers and stakeholders about food safety, and promotes good hygiene practices in food handling, preparation, and consumption.

Establishing a robust regulatory framework: FSSAI develops and updates regulations, guidelines, and procedures related to food safety, labelling, packaging, and recall of unsafe food products. It also conducts research and risk assessments to ensure that the food regulatory framework is based on scientific principles.

(c) ISO 26000:

ISO 26000 is a global standard developed by the International Organization for Standardization (ISO) that provides guidance on social responsibility for organizations. It is not a certifiable standard, but rather a voluntary guidance document that outlines principles, practices, and actions that organizations can adopt to be socially responsible. Some key points about ISO 26000 include:

Scope: ISO 26000 provides guidance on social responsibility across various dimensions, including organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement.

Principles: ISO 26000 is based on a set of core principles, including accountability, transparency, ethical behavior, respect for stakeholder interests, and respect for human rights.

Implementation: ISO 26000 provides guidance on how organizations can integrate social responsibility into their policies, strategies, operations, and decision-making processes. It emphasizes stakeholder engagement, materiality assessment, and continual improvement.

Benefits: ISO 26000 helps organizations to demonstrate their commitment to social responsibility, enhance their reputation, and build trust with stakeholders. It also promotes sustainable and responsible business practices that contribute to the well-being of society and the environment.

(d) Code of INS in regulating misleading advertisement:

INS stands for the Indian Newspaper Society, which is a voluntary organization of newspaper publishers in India. The INS has established a Code for self-regulation of advertising content published in newspapers and periodicals, which includes provisions for regulating misleading advertisements. Some key points about the Code of INS in regulating misleading advertisements are:

Prohibition of false, misleading or offensive advertisements: The Code of INS prohibits the publication of advertisements that are false, misleading, offensive, or likely to mislead or deceive consumers. Advertisements should not contain any false or exaggerated claims about the product or service being advertised.

Requirement of substantiation: Advertisements making claims about the performance, efficacy, or results of a product or service should be based on adequate and reliable substantiating data. Advertisers are required to possess such substantiating data and be prepared to provide it to the Advertising Standards Council of India (ASCI) or other relevant authorities upon request.

Adherence to legal requirements: Advertisements should comply with all applicable laws, regulations, and industry codes. They should not violate any intellectual property rights, copyrights, trademarks, or patents of others.

Avoidance of unfair competition: Advertisements should not denigrate the products or services of competitors, use unfair comparative claims, or misrepresent the offerings of competitors in a misleading manner.

Clear and transparent communication: Advertisements should be presented in a clear, transparent, and easily understandable manner, without any ambiguity or hidden information that may mislead consumers.

Monitoring and enforcement: The Code of INS is self-regulatory in nature, and violations of the Code can be reported to the Advertising Standards Council of India (ASCI) for appropriate action. ASCI is an independent body that monitors and regulates advertising content in India, and takes necessary action against misleading advertisements based on the complaints received.

Overall, the Code of INS aims to ensure that advertisements published in newspapers and periodicals are truthful, transparent, and do not mislead or deceive consumers. It promotes responsible advertising practices and helps protect consumer interests in India.