Class 12 Business Studies Chapter 11: Consumer Protection - Notes, Important Questions and MCQs (2026-27)

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These Class 12 Business Studies Chapter 11 notes cover “Consumer Protection” from the NCERT textbook Business Finance and Marketing (2026-27): importance of consumer protection, the Consumer Protection Act 2019, consumer rights and responsibilities, who can file a complaint, the three-tier redressal machinery (District, State and National Commissions), remedies available and the role of consumer organisations – with tables, Q&A, 10 MCQs and a free PDF.

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Chapter Overview

Consumers are often exploited through adulteration, faulty weights, spurious goods, misleading advertisements and poor service. Consumer protection covers educating consumers about their rights and responsibilities and helping them get their grievances redressed.

The Consumer Protection Act, 2019 protects consumer interests and sets up a three-tier quasi-judicial machinery – District, State and National Commissions – for redressal, along with mediation as an alternative.

Important Topics and Concepts

Importance of Consumer Protection

- From consumers' view: consumer ignorance, unorganised consumers, widespread exploitation.
- From business view: long-term interest of business, business uses society's resources, social responsibility, moral justification, government intervention can be avoided.

Consumer Protection Act, 2019

- A consumer is a person who buys goods or hires services for a consideration, not for resale or commercial purpose.
- Covers all goods and services, including online and e-commerce transactions.
- Provides rights to consumers and machinery for redressal.

Consumer Rights and Responsibilities

- Rights: right to safety, right to be informed, right to be assured (choose), right to be heard, right to seek redressal, right to consumer education.
- Responsibilities: be aware of goods and services, buy standardised goods (ISI, Agmark, FPO, Hallmark), learn risks, read labels, be assertive, be honest, ask for cash memo, file complaints, form consumer societies, respect the environment.

Redressal Machinery

- Who can file: a consumer, registered consumer association, Central or State Government, one or more consumers with the same interest, legal heir of a deceased consumer.
- District Commission: complaints where value paid does not exceed ₹50 lakh.
- State Commission: above ₹50 lakh up to ₹2 crore; hears appeals from District.
- National Commission: above ₹2 crore; appeals from State; further appeal to Supreme Court.
- Mediation can be used for settlement at an early stage.

Remedies and Consumer Organisations

- Remedies: remove defect, replace product, refund price, pay compensation for loss or injury, punitive damages, discontinue unfair practice, withdraw hazardous goods, stop manufacture of hazardous goods, issue corrective advertisement, pay amount to consumer welfare fund.
- Role of consumer organisations and NGOs: educate consumers, publish journals, carry out tests, encourage protests, provide legal help, file complaints in commissions, take initiative on behalf of consumers.

Consumer Rights

Quick table.

Right	Meaning
Safety	Protection from hazardous goods
Information	Know quality, quantity, price, ingredients
Choose	Access to a variety of products at competitive prices

Right	Meaning
Be heard	File complaint and be heard
Seek redressal	Get relief for unfair practices
Consumer education	Know rights and how to use them

Three-Tier Redressal Machinery

Commission	Pecuniary jurisdiction	Appeal to
District	Up to ₹50 lakh	State Commission
State	Above ₹50 lakh up to ₹2 crore	National Commission
National	Above ₹2 crore	Supreme Court

Important Definitions and Terms

Term	Meaning
Consumer	Buyer of goods/services for personal use
Consumer protection	Safeguarding consumers from exploitation
CPA 2019	Consumer Protection Act, 2019
District Commission	Lowest consumer redressal forum
Mediation	Settlement through a neutral third party
ISI mark	Standard mark for industrial products
Agmark	Quality mark for agricultural products
Hallmark	Purity mark for gold jewellery
Punitive damages	Penalty compensation to deter wrongdoing
Corrective advertisement	Advertisement to neutralise misleading one

Short Answer Questions

Q1. Who is a consumer under CPA 2019?

A person who buys goods or hires services for consideration, not for resale or commercial purpose.

Q2. Give two reasons why consumer protection is important for business.

Long-term interest of business and social responsibility.

Q3. Name any four consumer rights.

Right to safety, information, choice and redressal.

Q4. State two consumer responsibilities.

Ask for a cash memo and buy standardised goods.

Q5. What is the pecuniary limit of the District Commission?

Q6. Where can an appeal against the National Commission be made?

In the Supreme Court.

Q7. Who can file a complaint?

A consumer, registered consumer association, Central/State Government, consumers with the same interest, or legal heir.

Q8. Name two remedies available to consumers.

Replacement of product and refund of price.

Long Answer Questions

Q1. Explain the importance of consumer protection from the business point of view.

Long-term interest of business.

Uses society’s resources.

Social responsibility.

Moral justification.

Avoids government intervention.

Q2. Explain the consumer rights under CPA 2019.

Right to safety.

Right to be informed.

Right to choose.

Right to be heard and seek redressal.

Right to consumer education.

Q3. Explain the redressal machinery under CPA 2019.

District Commission – up to ₹50 lakh.

State Commission – ₹50 lakh to ₹2 crore.

National Commission – above ₹2 crore.

Appeals up to Supreme Court.

Mediation as an alternative.

MCQs with Answers

1. Consumer Protection Act was enacted in(a) 1986 (b) 2015 (c) 2019 (d) 2021Answer: (c) 2019

2. District Commission jurisdiction is up to(a) ₹10 lakh (b) ₹50 lakh (c) ₹1 crore (d) ₹2 croreAnswer: (b) ₹50 lakh

3. Appeal against National Commission goes to(a) High Court (b) Supreme Court (c) State Commission (d) PresidentAnswer: (b) Supreme Court

5. Agmark is for(a) agricultural products (b) jewellery (c) cosmetics (d) electronicsAnswer: (a) agricultural products

6. Right to file complaint is right to(a) safety (b) be heard (c) choose (d) informationAnswer: (b) be heard

7. A buyer for resale is(a) a consumer (b) not a consumer (c) a commission (d) an NGOAnswer: (b) not a consumer

8. Advertisement to correct misleading ads(a) corrective advertisement (b) publicity (c) PR (d) sales promotionAnswer: (a) corrective advertisement

9. State Commission jurisdiction(a) up to ₹50 lakh (b) ₹50 lakh to ₹2 crore (c) above ₹2 crore (d) unlimitedAnswer: (b) ₹50 lakh to ₹2 crore

10. Which is a consumer responsibility?(a) ask for cash memo (b) adulterate goods (c) avoid labels (d) ignore standardsAnswer: (a) ask for cash memo

Quick Revision Points

- Importance – consumer and business view.
- CPA 2019 – who is a consumer.
- Six consumer rights.
- Consumer responsibilities.
- Three-tier machinery and limits.
- Remedies; role of consumer organisations.

Chapter Summary

Consumer protection safeguards buyers from exploitation and is important both for consumers and for the long-term interest of business. The Consumer Protection Act, 2019 gives consumers rights to safety, information, choice, being heard, redressal and education, along with responsibilities like buying standardised goods and asking for a cash memo.

Complaints are redressed by District (up to ₹50 lakh), State (₹50 lakh to ₹2 crore) and National (above ₹2 crore) Commissions, with appeals to the Supreme Court, and remedies range from replacement and refund to compensation and corrective advertisements.

Exam Tips and PYQ Pattern

- Learn current jurisdiction limits from the NCERT book.
- Match rights with case-study situations.
- Remember standard marks (ISI, Agmark, Hallmark).
- List remedies in points.
- Write business-view importance separately.

Frequently Asked Questions

Is Consumer Protection in the 2026-27 CBSE syllabus?

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Yes. Use the free PDF link at the top of this page – no signup needed.

What are the jurisdiction limits of consumer commissions?

District Commission up to ₹50 lakh, State Commission from ₹50 lakh to ₹2 crore, and National Commission above ₹2 crore.

What are consumer rights?

Right to safety, information, choice, to be heard, to seek redressal and to consumer education.

Conclusion

Consumer Protection is short and scoring. Learn the rights and redressal table and save the free PDF.

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Author Bio: Written and reviewed by the Nextoper Editorial Team, a group of CBSE business studies educators who build chapter notes directly from the NCERT textbook and past board paper patterns.

Freshness Note: These notes follow the NCERT Class 12 Business Studies textbook, Business Finance and Marketing (NCERT reprint 2026-27, rationalised syllabus), and the CBSE syllabus for the 2026-27 session. Last checked on 26 November 2026.