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Answers Key:

5 Marks

1. The National Consumer Disputes Redressal Commission (NCDRC), India is a quasi-judicial commission in India which was set up in 1988 under the Consumer Protection Act of 1986. Its head office is in New Delhi. The commission is headed by a serving or retired judge of the Supreme Court of India. The National Consumer Disputes Redressal Commission (NCDRC) is also called as National Commission.

   Members

   The National Consumer Disputes Redressal Commission has been constituted by a Notification.

   (i) The National commission should have five members.

   (ii) One should be from judiciary.

   (iii) Four other members of ability, knowledge and experience from any other fields.

   (iv) It should include a woman.

   Jurisdiction

   Section 21 of The Consumer Protection Act, 1986 describes, the National Commission shall have jurisdiction

   (i) To entertain a complaint valued more than 1 Crore.

   (ii) Revised the orders of State Commissions.

   (iii) To call for the records and pass appropriate orders from the State Commission and District Forum.

   Powers

   (i) Adoption of uniform procedure in the hearing of the matters is followed in the National Commission

   (ii) Prior service of copies of documents produced by one party to the opposite parties.

   (iii) Speedy grant of copies of documents are issued by the National Commission.

   (iv) Generally over-seeing the functioning of the State Commissions and the District Forums to ensure that the objects and purposes of the Consumer protection Act are best served, without interfering with their quasi-judicial freedom.

   Appellate Forum

   (i) Any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such State Commission has exercised a jurisdiction not vested in it by law or has failed to exercise a jurisdiction so vested or has acted in the exercise of its jurisdiction illegally or with material irregularity.

   (ii) Section 23 of Consumer Protection Act, 1986, provides that any person aggrieved by an order of National Commission may prefer an Appeal against such order to Supreme Court of India within a period of 30 days.

2. .The macro environment factors are as follows:

   (1) Economic environment: The business is an integral part of the econonnic systenn prevalent in a nation. The nmultiple variables in the macro environnnent system include:

   (a) he nature of economy baned on the stage of development.

   (b) lhe nature ofcconomie system.

   (c) he economic pollckes of he natlon.

   (d) he cconomtic indlces.

   (e) Developmentof financial market.

   (f) he economicstructure.

   (ii) Socio-Cultural environment: Social environment refers to the sunm total of factors of the society inwhich the business is located. It is dynamic and includes the behaviour of individuals, the role and inmportance of family, customs, traditions, beliefs and values, religion and languages, thc ethical values.

   (iii) Political and Legal environment : The framework for running a business is given by the political and legal environment. The success of a business lies in its ability to adapt and sustain to political and legal changes.

   (iv) Geo-physical environment : Thenatural, geographical and ecological factors have a bearing onthe business. These are as follows :

   (a) the availability of natural resources

   (b) the weather and climatic conditions

   (c) topographical factors

   (d) ecological factors

   (e) location of certain industries

   (f) availability of natural harbours.

   (v) Technological environment: The development in the IT and telecommunications has created a global market. Technology is widely used in conducting market research for understanding the special needs ofthe customer..

3. Micro environment rcfers to th0se factors which are in the imncdiate environment of businessaffecting itsperformance. "These includes the following:

   (i) Suppliers: In any organisation the suppliers ofraw materials and other inputs play a very vital rolc. Timely procurement of materiáls from suppliers enables continuity in production and reduces the cost ofmaintaining stock/ inventory.

   (ii) Customers : The aim of any business is to satisfy the needs of its customers. The customer is the king and the fulcrum around which thebusiness revolves.

   (iii) Competitors: All organisationsface competition at all levels such as local, national and global. Itis important for a business to understand its competitors and modify their business strategies in the face of competition.

   (iv) Financiers : The financiers of a business which includes the debenture holders and financial institutions play a significant part in the running of a

business. Their financial capability, policies strategies, attitude towards risk and ability to give non-financial assistance are all important to a business.
(v)Marketing Channel members: The marketing inter-mediaries serve as a connecting link between the business and its customers. The middlemen like dealers, wholesalers and retailers ensure transfer of product to customers. Insurance firm is another marketing intermediary which provides coverage for risk in business.
(vi) Public: This refers to any group like media group, citizen action group and local public which has an impact on the business. Many companies had to face closure due to actions by local public.

4. **Advantages :**
(i) Increase in foreign investment :
If a country liberalises its trade, it will make the country more attractive for inward investment. Inward investment leads to capital inflows but also helps the economy through diffusion of more technology, management techniques and knowledge.
(ii) Increase the foreign exchange reserve :
Relaxation in the regulations covering foreign investment and foreign exchange has paved way for easy access to foreign capital.
(iii) increase in consumption :
Liberalization increases the number of goods available for consumption within a country due to increase in production.
(iv) Control over price :
The removal of tariff barriers can lead to lower prices for Consumers.This would be particularly is benefit for countries who are importers.
Disadvantages :
(i) Increase in unemployment :
Trade liberalisation often leads to a shift in the balance of an economy. Some industries grow, some decline. Therefore, there may often be structural unemployment from certain industries closing.
(ii) Loss to domestic units :
With fewer entry restrictions, it has been possible for many entrants to make inroads into the country which poses a threat and competition to the existing domestic units.
(iii) Increased dependence on foreign nations :
Trade liberalisation means firms will face greater competition from abroad.When competition is not automatically enhanced, it can lead to domination by big institution that has market controlling powers.
(iv) Unbalanced development :
Trade liberalisation may be damaging for developing economies which cannot compete against free trade.

5. Following essential elements are necessary for a contract of sale
(i) Two Parties :
(1) A contract of sale involves two parties - the seller and the buyer.
(2) The buyer and the seller should be two different persons. If a person buys his own goods, there is no sale.
(ii) Transfer of Property :
(1) To constitute sale, the seller must transfer or agree to transfer the ownership in the good to the buyer.
(2) A mere transfer of possession does not amount to sale.
(iii) Goods :
(1) The subject matter of contract of sale must be goods. It excludes money, actionable claims and immovable property.
(2) The term 'goods' includes every kind of movable property, stocks and shares, growing crops etc.
(3) Goodwill, trademarks, copy rights, patent rights etc., are all also regarded as goods.
(iv) Price :
(1) The monetary consideration for the goods sold is called price.
(2) If goods are exchanged for goods, it is only barter and not a sale.
(3) But if goodsare sold partly for goods and partly for money, the contract is one of sale.
(v) Includes both 'Sale' and 'Agreement to Sell' :
(1) The term contract of sale includes both sale and agreement to sell.
(2) If the property in goods is transferred immediately to the buyer it is called a sale.
(3) On the other hand, if the transfer of property takes place at a future date or on fulfillment of certain conditions, it is called 'an agreement to sell'.

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6.

SI.No	Basis of Difference	Conditions	Warranty
1.	Meaning	It is a stipulation which is essential to the main purpose of the contract of sale.	It is a stipulation which is collateral to the main purpose of contract.
2.	Significance	Condition is so essential to the contract that the breaking of which cancels out the contract.	It is of subsidiary or inferior character. The violation of warranty will not revoke the contract.
3.	Transfer of ownership	Ownership on goods cannot be transferred without fulfilling the conditions.	Ownership on goods can be transferred on the buyer without fulfilling the warranty.
4.	Remedy	In case of breach of contract, the affected party can cancel the contract and claim damages.	In the case of breach of warranty, the affected party cannot cancel the contract but can claim damages only.
5.	Treatment	Breach of condition may be treated as breach of warranty.	Breach of warranty cannot be treated as breach of condition.

7.

SI.No	Basis of Difference	Cheque	Bill of Exchange
1.	Drawn	A cheque can be drawn only on a particular banker.	A bill of exchange can be drawn on any person including a banker
2.	Payability	It is payable on demand only.	It is payable on demand or on the expiry of a certain period.
3.	Validity	A cheque drawn payable to bearer on |demand is perfectly valid.	A bill made payable to bearer on demand is void by virtue of section 31 of the RBI Act.
4.	Acceptance	A cheque does not require any acceptance.	In case of time bill, acceptance by the drawee is necessary before he can be made liable on it.
5.	Grace Period	No days of grace are allowed in the case of a cheque for the simple reason that is always payableon demand.	Three days of grace are allowed while calculating the maturity date in the case of time bill.
6.	Notice	Notice is not necessary for a cheque.	When a bill is dishonoured, notice of dishonour is necessary.

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8. **Features of a cheque :**
(i) Instrument in writing : A cheque or a bill or a promissory note must be an instrument in writing.Though the law does not prohibit a cheque being written in pencil, bankers never accept it because of risks involved.
(ii) Unconditional order : The instrument must contain an order to pay money.It is not necessary that the word 'order' or its equivalent must be used to make the document a cheque.
(iii) Drawn on a Specified Banker Only: The cheque is always drawn on a specified banker.A cheque vitally differs from a bill in this respect as latter can be drawn on any person including a banker.
(iv) A Certain Sum of Money Only : The order must be for payment of only money. If the banker is asked to deliver securities, the document cannot be called a cheque.Further, the sum ofmoney must be certain.
(v) Payee to be Certain : The cheque must be made payable to a certain person or to the order of a certain person or to the bearer of the instrument.The word, person includes bodies corporate, local authorities, associations, holders of office of an institution etc.
(vi) Signed by the Drawer : The cheque is to be signed by the drawer.Further, it should tally with specimen signature furnished to the bank at the time of opening the account.

9. The salient highlights of the Liberaisation, Privatisation and Globalisation Policy in India are,
(i) Introduction of new Foreign Trade Agreements
(ii) Foreign Investment (FDI & FII)
(iii) MRTP Act, 1969 (Amended)
(iv) Deregulation
(v) Opportunities for overseas trade
(vi) Steps to regulate inflation

(vii) Tax reforms
(viii) Abolition of License.

3 Marks

10. Voluntary consumer organizations refer to the organization formed voluntarily by the consumers to protect their rights and interests.
Objectives of voluntary organisations :
(i) The Department of Consumer Affairs (DCA) operates the Consumner Welfare Fund (CWF). The primary objective of CWF is to strengthen the Consumer Advocacy Movement in India.
(ii) A wide network of Voluntary Consumer Organisations (VCO) is doing of commendable work to raise awareness amongst consumers.
(iii) To strengthen consumer protection and welfare and to provide counselling, guidance and mediation services.
(iv) Voluntary consumer organisation supported through consumer welfare fund provides grants for diverse projects including comparative testing of products and services and dissemination of the findings.
(v) Steps have been taken to enhance transparency and to digitalise the government's interface with its citizens.

11. **(i) Values system:**
The values ofthefounder/ owner of the business . percolates down to the cutire organisation and has a profound eflect on the organisation. The success of an organisation depends uponthe sharing of value system by all members.
(ii)Vision and objectives :
The vision and objectives of a business guides its operations and strategic decisions. Exanple :Amul the taste of India' Gujarat Co-operative Milk Marketing Federation (GCMMF).
(ii) Company image :
The image of an organisation plays an important role in introducing new products, selecting agents, and dealers for distribution forging allances with suppliers, expanding and entering new markets both domestic and international and raising finance, etc.

12. The development in the IT and tele communications has created a global market. Technology is widely used in conducting market research for understanding the special needs of the customer. Data-mining and data analytics are used to know the customer better. Technology is used in managing inventory, storing goods in warehouses, in distributing goods and in receiving payment. This dynamic environnment includes the following;
(i) The level of technology available within the country
(ii) The rate of change in technology
(iii) Technology adopted by competitors
(iv) Technological obsolescence

13. (i) Corporations got a competitive advantage from lower operating costs, and access to new raw materials and additional markets.
(ii) Multinational corporations (MNCs) can manufacture, buy and sell goods world wide.
(iii) Globalisation has led to a boom in consumer products market.

14. (i) The base for New Economic Policy in various countries of the world is Dunkel Draft.
(ii) It was allabout the General Agreements on Trade and Tariff.
(iii) Mr. Arthur Dunkel (1932-2005) submitted a 22,000 page document for the World Trade Organisation (WTO) and followed by many Nations to adopt their respective New Economic Policies.
(iv) India is one among such nations to commit itself to the New Economic Policy in 1991.
(v) The new set of economic reforms is commonly known as the LPG or Liberalisation, Privatisation and Globalisation model.

15. In every contract of sale, there are certain expressed and implied conditions and warranties.
The term implied conditions means conditions which can be inferred fromn or guessed from the context of the contract.
Following are the implied conditions :
(i) Conditions as to Title.
(ii) Conditions as to Description.
(iii) Sale by Sample.
(iv) Conditions as to Quality or Fitness.
(v) Conditions as to Merchantability
(vi) Condition as to Wholesomeness.
(vii) Condition implied by Trade Usage.
Following are the implied warranties :
(i) Quiet Possession.
(ii) Free from Any Encumbrances.
(iii) Warranty in the case of Dangerous Goods.

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16.

SI.No	Basis of Difference	Negotiability	Assignability
1.	Legal ownership	It passes to the transferee by mere endorsement in the case of a bearer instrument and by endorsement and delivert in the case of an order instrument.	An assignment can be made by observing certain formalities. For instance, an instrument is to be made in writing, duly stamped and igned by the transferor or his agent.
2.	Notice	Notice is not necessary for the holder of negotiable instrument to claim the payment from the debtor.	In case of actionable claim, notice of the assignment by the transferee regarding the transfer of debt to the debtor is necessary.
3.	Nature of title	Holder of negotiable instrument in due course gets a better title than even the transferor.	The transferee's title to the instrument is subject to the defects of the transferor's title.
4.	Consideration	Consideration is presumed	The assignee has to prove the consideration for the transfer.

17. Crossing is of two types: General crossing and special crossing

General Crossing:

1. It is according to section 123 of the Negotiable Instruments Act, 1881.
2. "Where a cheque bears across its face with 'and company" or any abbreviation between two parallel transverse lines with or without the words 'not negotiable, the cheque shall be deemed to be crossed generally':

Special Crossing:

1. It is according to section 124 of the Negotiable Instruments Act, 1881.
2. "Where a cheque bears across its face an addition of the name of a banker with or without the words 'not negotiable, the cheque shall be deemed to be crossed specially and to be crossed to the bankers".



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18. Each State Commission shall consist of the following members.
(i) A person who is or has been a judge of a High Court appointed by the State Government as its President.
(ii) Two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law commerce, industry, public affairs or administration of them, one shall be a woman

2 Marks

19. (i) Redressal mechanism is a management and governance related process used commonly in India.
(ii) It covers the receipt and processing of complaints from citizens and consumers.
(iii) It also includes the action taken on any issue raised by them to avail services more effectively.
20. 1. As per the consumer protection act, 1986 at the district leveleach state established a consumer dispute redressal forum known as the District Forum.
2. The district forumconsists of a president and two members. The District Forum shall entertain the complaints' where the value of goods or services exceeds the limit of ₹ 20lakhs.
21. 1. Internal environment refers to those factors within an organisation e.g Policies, Programmes, Organisational structure, employees, financial and physical resources.
2. These factors can be changed or altered and hence are known as controllable factors.
22. 1. Corporate governance is a set of rules and policies which governs a company.
2. It provides a frame work for managing a company and achieving its objectives.
3. It gives guidelines for internal control, performance measurement and corporate disclosure.
23. (i) Increase in foreign collaboration
(ii) Expansion of market
(iii) Technological development
24. Contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property (Ownership) of the goods to the buyer for a price.
25. **(i)** Contingent goods are the goods, the acquisition of which by the seller depends upon a contingency.
(ii) Contingent goods are a part of future goods.
26. (i) The word "Negotiable" means transferable from one person to another in return for consideration.
(ii) The word 'Instrument' means a written document by which a right is created in favour of certain person.
(iii) A negotiable instrument is a document which entitles a person to a certain sum of money and which is transferable from one person to another by mere delivery or by endorsement and delivery.
27. According to section 6 of the Negotiable Instruments Act, 1881 defines a cheque as "a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand"


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