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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 State Commission is to be appointed by the State Government in consultation with the Centre. It has the same function as state level. the state consumer protection council is also known as "Consumer Disputes Redressal Commission". Ihe State Consumer Protection Council is also called State Commission.
   Members : Each Sate Commission shall consist of the following members.
   (i) A person who is or has been a Juclge 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.
   Jurisdiction : The Jurisdiction of the State Commission is as follows.
   (i) The State Commission can entertain complaints within the territory of entire state and where the value of the goods or services and the compensation, if any claimed exceed Rs. 20 lakhs and below Rupees One Crore.
   (ii) The State Commission also has the jurisdiction to entertain appeals against the orders of any District Forum within the State.
   Powers : The following are the powers of the State Commission.
   (i) The State Commission also has the power to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Forum within the State.
   (ii) To furnish such information that may be required for the purposes of the Act to any officer so specified.
   Appellate Forum
   (i) The State Commission's jurisdiction may be original, appellate or revision.
   (ii) Any person aggrieved by an order of the State Conmission may prefer an appeal to the National Conmmissionwithin 30 days
   from the date of such order.
3. .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..

4. 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.

5. **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.

6. 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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7.

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.

8. If an endorsement is to be valid, it must possess the following requisites:
(i) Endorsement is to be made on the face of the instrument or on its back.
(ii) When there is no space for making further endorsements a piece of paper can be attached to the negotiable instrument for this purpose.
(iii) If the endorsee's name is wrongly spelt, the endorsee should sign the same as spelt in the instrument and write the correct spelling within brackets after his endorsement.
(iv) Endorsement for only a part of the amount of the instrument is invalid.
(v) Endorsement is complete only when delivery of the instrument is made.
(vi) It is presumed that the endorsements appearing on a negotiable instrument were made in the order in which they appear thereon.
(vii) Signing in block letters does not constitute regular endorsement.

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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. **The National Consumer Disputes Redressal Commission has the following members:**
(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.

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. Existing goods are those owned or possessed by the seller at the time of contract of sale. Goods possessed even refer to sale by agents or by pledgers. The existing goods may be either :

(i) Specific Goods : Specific goods denote goods identified and agreed upon at the time of contract of sale.
(ii) Ascertained Goods: The term 'ascertained goods' is also used as similar in meaning to specific goods.
(iii) Unascertained or Generic Goods: These are goods which are not identified and agreed upon at the time of contract of sale.

14. 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.

15.

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.

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16. Characteristics of a bill of exchange
(i) A bill of exchange is a document in writing.
(ii) The document must contain an order to pay.
(iii) The order must be unconditional.
(iv) The instrument must be signed by the person who draws it.
(v) The name of the person on whom the bill is drawn must be specified in the bill itself.
(vi) The amount that isrequired to be paid must also be specified in the bill.

17. **Disadvantages:**
(i) Lack of welfare: Majority of private companies whose main motive is profitmaking, do not indulge in public interest or welfare services like free education to poor, free medical treatment, etc.
(ii) Political pressure: When private companies fail to deliver, the public has no powers to intervene and government does not always have time or expertise to force them to keep their promises.
(iii) Ignores the weaker sections: Privatisation often goes hand in hand with encouraging richer people to pay more and opt for best quality services.

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. 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.

20. 1. GST is the indirect tax levied on goods and services across the country.
2. It is a comprehensive, multi-stage, destination based tax that is levied on every value addition.

21. Privatization is the incidence or process of transferring ownership of a business enterprise, agency or publicservice from the government to the private sector.

22. i) Increase in unemployment
ii) Loss due to domestic units
(iii) Increased dependence on foreign nations
(iv) Unbalanced development

23. 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.
24. Following essential elements are necessary for a contract of sale.
    (i) Two parties
    (ii) Transfer of property
    (iii) Goods
    (iv) Price
    (v) Includes both 'Sale' and 'Agreement to sell'
25. (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.
26. Characteristics of a promissory note:
    (i) A promissory note must be in writing.
    (ii) The promise to pay must be unconditional.
    (iii) It must be signed by the maker.
27. Mahatma Gandhi said about the Customer A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider of our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so.

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