

Model AnswerSet- II Std. – 12th Subject-Organization of



Q.1A)	Select the correct option and rewrite the sentences.	5
<u></u>	arranges the work in such a way that minimum conflicts are raised.	
	a) Co-ordinating b) Organizing c) Controlling	
2.	Principle of is not applicable to life insurance.	
	a) insurable interest b) utmost good faith c) indemnity	
3.	The term 'e-business' is derived from the term and e-commerce.	
	a. Cash b. e-pay c. e-mail	
4.	Businessmen are of the society.	
	a) Representatives b) leaders c) Trustees	
5.	Business organization should protect health and provide safety measures to	
	a) employees b) owners c) investors	
B)	Complete the sentence	5
1.	The directing function of management initiates action.	
2.	In fleet policy, several ships belonging to one owner are insured under the same policy.	
3.	E-business is an abbreviation for Electronic Business .	
4.	Business should earn <u>reasonable</u> profit.	1
5.	State commission has <u>four</u> members	1
C)	Give One Word.	5
1.	It increases the team spirit of work place – Co-ordinating	
2.	These warehouses are owned, managed, and controlled by central and state	
	governments or public authorities. – Government warehouse.	
3.	The transaction which is done with the help of the internet - Online Transaction	
4.	An activity motivated by profit – Business	
5.	Organizations which aim at promoting the welfare of the people – Non Government	
	Organizations	
D)	Answer in One sentence.	5
1.	A plastic card that can be used to take money directly from your bank account when	
	you pay for something.	
2.	LPO is a type of KPO that is specific to legal services, ranging from drafting legal	
	documents, performing legal research to offering advice.	
3.	Consumer can raise voice against business malpractices	
4.	National Commission is set up at the national level for redressal for consumer	
	complaints.	
5.	Standardisation means to determine standards related to process, size, quality,	1
	design, weight, colour etc. of the product.	
Q.2.	Explain the following Terms / Concepts (Any 4)	6
1.	1. C2C - It facilitates the online transaction of goods or services between two people.	1
	Consumer to consumer (C2 C) involves the electronically facilitated transactions between	
	consumers through some third party. A common consumer posts an item for sale and other	
	consumers bid to purchase it. The sites are only intermediaries, just to match the	
	consumers.	
	2. Concept of Trusteeship - Trusteeship is a socioeconomic philosophy that was	
	propounded by Mahatma Gandhi. It provides a means by which the wealthy people	
	would be the trustees of trusts that looked after the welfare of the people in general.	
	Businessmen are considered to be trustees of society.	





	 3. Social values - Social vales such as fundamental rights patriotism, respect for human dignity, rationality sacrifice, equality democracy etc. guide our behaviour in many ways. 4. State Commission - A consumer dispute redressal commission at the state level established by the State Government is known as State Commission. It is also called as State Consumer Disputes Redressal Commission. 5. Janhit Yachika – Janhit Yachika (Public Interest Litigation) means a legal action initiated in a court of law regarding a matter of general public interest. It is a legal facility under which any person can approach to the court of law in the interest of the society. Its aim is to provide legal remedy to unrepresented groups of society. The party which is not related to grievance can also file public interest litigation. It is filed in the High Court as well as Supreme Court directly in some cases. 6. Promotion - Promotion is an important element of marketing as it creates brand recognition and sales. Promotion is a tool of marketing communication which helps to publicize the product to the customer. It helps to convey product features to the potential buyer and inducing them to buy it. 	
Q.3.	Study the following Case / Situation and express your opinion. (Any2)	6
1	 Mr. Amit is a businessman. He has his own factories in Pune and Nashik. He lives in Pune with his wife and 2 daughters aged 5 and 8 years. i) Can Mr. Amit take a life insurance policy for his wife and 2 children? Mr. Amit can take a life insurance policy for his wife and 2 children. ii) Can Mr. Amit take a marine insurance policy for his factories? Mr. Amit cannot take a marine insurance policy for his factories. iii) Which type of insurance should Mr. Amit take for protecting his factories from loss due to fire? Mr. Amit should take fire insurance for protecting his factories from loss due to fire. 	
2.	 Mr. Rajaram is young M.Sc. (Agri.) degree holder, Mr. Sitaram is commerce graduate. Mr. Rajaram is willing to start Agro tourism center at his village. Mr. Sitaram is willing to start as an accountant in private company. 1. Find out desire of Mr. Sitaram. Mr. Sitaram is willing to start as an accountant in private company. 2. What is desire of Mr. Rajaram? Rajaram is willing to start Agro tourism center at his village. 3. Which qualification is acquired by Mr. Sitaram? Mr. Sitaram is commerce graduate. 	
3.	 An organization manufacturing paints has been enjoying a prominent market position since many years. It has been dumping its untreated poisonous waste on the river bank: which has created many health problems for the nearby villages. i) Which responsibility is neglected by manufacturing organization? Social responsibility is neglected by manufacturing organization. ii) What kind of pollution they are doing? They are doing water pollution. iii) What precautionary measures they need to take? The manufacturing organization must action for proper disposal of untreated poisonous waste without polluting river. 	
Q.4	Distinguish between (Any 3)	12





	Point of Difference	Savings Account	Recurring Account		
	1. Type of Deposit	It is a demand deposit	It is a time deposit		
	2. Amount Deposited	No fixed amount deposited	Fixed amount deposited		
	3. Frequency of deposit	Can deposit amount	Amount deposited for a		
		frequently. There are no	fixed period into regular		
		restrictions.	interval generally		
			monthly.		
	4. Rate of Interest	Lower rate of Interest	Higher rate of Interest		
•	Life Insurance and Fire	Insurance			
	Point of Difference	Life Insurance	Fire Insurance		
	1. Meaning	A contract where by the	A contract in which		
		insurance company	insurer promises to pay		
		undertakes to pay a certain	compensation to insured		
		sum of money either on death	if something happens to		
		or maturity (whichever is	the subject matter due to		
		earlier) for a consideration	fire or related events.		
		(premium)			
	2. Policy taken by	It can be taken by an	It can be taken by		
		individual for his own life or	individual for their		
		for his family members.	properties or by		
—		, j	businessman. For their		
			goods, properties		
			business liabilities.		
	3. Insurable Interest	It must exist at the time of	It must exist both at the		
		contract	time of contract and also		
			at the time of loss.		
•	- 4. Tenure	The policy can be issued for	It is generally for a short		
		any number of years, even	period like one year.		
		until the death of the assured.			
	State Commission and National Commission.				
	Point of Difference	State Commission	National Commission		
	1. Meaning	A consumer dispute redressal	A consumer dispute		
		forum at the State level	redressal forum at the		
		established by the State	National level		
		Government is known as State	established by the		
		Commission.	Central Government by		
			notification is known as		
			National Commission.		
			r tational commission.		
	2. President	A person who is sitting or retired	A person who is or has		
	2. President	A person who is sitting or retired or Judge of High Court, shall, be	A person who is or has		
	2. President	or Judge of High Court, shall, be	A person who is or has been a judge of the		
	2. President	or Judge of High Court, shall, be appointed by the State	A person who is or has been a judge of the Supreme Court, shall be		
	2. President	or Judge of High Court, shall, be appointed by the State Government as the President of	A person who is or has been a judge of the Supreme Court, shall be appointed by the Central		
	2. President	or Judge of High Court, shall, be appointed by the State	A person who is or has been a judge of the Supreme Court, shall be appointed by the Central Government by		
	2. President	or Judge of High Court, shall, be appointed by the State Government as the President of	A person who is or has been a judge of the Supreme Court, shall be appointed by the Central Government by notification is known as		
	2. President 3. Member	or Judge of High Court, shall, be appointed by the State Government as the President of	A person who is or has been a judge of the Supreme Court, shall be appointed by the Centra Government by		





		may be prescribed in consultation with the Central	number of members as	
		Government.	may be prescribed.	
	4. Area covered	It covers particular state	It covers the entire country	
4.	Organizing and Co-or	dinating.		
	Point of Difference	Organizing	Co-ordinating	
	1. Meaning	Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them	Coordination is orderly arrangement of group efforts to provide unity of action in the pursuit of common goal.	
	2. Objective	To identify and bring together all required resources.	To ensure harmony of efforts of the employees for smooth functioning of organization.	
	3. Order	It is based on planning.	It is an important element of organizing which follows planning.	
_	4. Factors	Internal and external factors are considered in arrangement of resources.	It is harmonization of human resources.	
Q.5	Study the following tal	ble, figure or passage and the ques	tions given below it.:	8
2	activity to specialized ag household pantry etc. ar 2. The company makes required manpower to th 3. The agency charges th company can focus on th The company benefits in 1. It reduces its own cos 2. It uses the expertise of Examples of outsourcing offices etc. outsource fa arrangements for wedding	he company for their services. With heir core areas. In two ways. It of the firm which specializes in a par- g - The establishments such as shops cilities like canteen, sanitation, secur ng, anniversary, birthday celebration	ch as sanitation, security, The agency can send the the help of outsourcing, ticular kind of service. s, malls, housing societies, rity etc. In the same way a can also be outsourced.	
2.	 organization should hav products can be rejected towards quality control. 2) Fair Prices: The con possible to fool the custopermanent consumer. Ma printed on every packet. 3) Customer's Safety: Tadversely affect the life 	acts : The organization should produce e its quality control department so in l. International Standard Organizatio This ensures customers about quality sumers should not be cheated by cha- omer at all the time. Fair price conve- laximum Retail Price (M.R.P.) inclu Retailer should not charge any extra The business must ensure that the pri- and health of the customers. Unsafe ould be warned of any unsafe goods.	nferior and substandard n (ISO), is the latest trend ty product. arging high prices. It is not ert a one time consumer into sive of all taxes should be a amount. oduct supplied will not products should not be	





3.	 4) Honest Advertising: The consumers want to know the facts, features, advantages, side-effects etc. of the products. The advertisement conveys this information. So, the organization must be sure that the advertisement is not being misleading. False, misleading, and vulgar advertisement should be avoided. Consumers will appreciate only honest advertisements in the long run. 1) Product: Product refers to the goods or services that are offered to the customers for 	
<i>.</i>	 Product: Product refers to the goods or services that are offered to the customers for sale and are capable of satisfying the need of the customer. The product can be intangible or tangible, as it can be in the form of services or goods. The business need to decide the right type of product through extensive market research. Success of the business depends on the impact of the product in the minds of the customer. Price: The price of the product is basically the amount that a customer pays for the product. Price plays an important role in creating demand for the product. The business needs to take utmost care to decide the product play an important role in pricing the product. Too high price may affect the demand for the product and pricing too low may affect the profitability of the business. While deciding the prices, the value and utility of the product to its customers are to be considered. Place: Place is also known as distribution channel. Placement or distribution is a very important part of the marketing. Making a right product at the right price is not enough. Business needs to distribute the product available to potential customer at the right place too. Business needs to distribute the product in a place that is accessible to potential 	
	buyers. It covers location, distribution and ways of delivering the product to the customer. Better the chain of distribution higher the coverage of the product in the market.	
Q.6 1.	Justify the following statements. (Any 2)	
l. _	 Online transaction is done with the help of the internet. It cannot take place without a proper internet connection. Online transactions occur when a process of buying and selling takes place through the internet. When a consumer purchases a product or a service online, he/she pays for it through online transaction. 	16
2.	 Management principles are flexible in nature. It means they can be changed or modified according to the situation. Managers can be flexible while implementing principles to suit the requirement. The business situations keep on changing. Management principles can be adjusted or modified and can be used in the organisation according to its need. 	
3.	 Aim of Consumer organizations & NGOs in Consumer protection and Education: i) To organize campaigns and various programmes on consumer issues to create social awareness. ii) To organize training programmes for the consumers and make them conscious of their rights and modes of redressal of their grievances. iii) To publish periodicals to enlighten the consumers about various consumer related developments. iv) To provide free legal advice to members on matters of consumer interest and help them to take up grievances. v) To interact with businessmen and Chambers of Commerce and Industry for ensuring a better deal for consumers. vi) To file Public Interest Litigation on important consumer issues, such as ban on a 	



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4.	1. Marketing helps the society by informing and educating consumers.	
	2. The function of marketing is to fulfil the needs of the consumers.	
	3. Marketing helps consumers to know about new product and service available in the market and its usefulness to the customer.	
	4. Marketing provides satisfaction to the society by supplying relevant information, goods, and services to the people of society according to their demand and taste.	
	5. Marketing can also include more practical information to assist in making a purchase,	
	such as addresses, phone numbers, product release dates, store hours and Web addresses.	
07	Attempt the following. (Any 2)	
Q.7 1.	1) Science, Not Rule of Thumb: In order to increase organizational efficiency, the 'Rule	
1.	of Thumb' method should be substituted with the methods developed through scientific	
	analysis of work. Rule of thumb decisions are based on personal judgments of the	
	manager. Taylor insisted upon scientific method for every small work. This principle is	
	concerned with selecting the best way of performing a job after scientific analysis of that	
	job and not by trial and error methods. Standard required time and standard output should	
	be defined by the manager. This will help in saving time and human energy and will result	
	into expected standard output. According to Taylor, even a small production activity like	
	loading iron sheets into box cars can be scientifically planned.	
	2) Harmony, Not Discord : According to this principle, there should be harmony between	
	the employees and management. This coordination will help in minimizing conflicts	
	between them. Perfect understanding between employees and management will be helpful	
_	in creating healthy work environment for achieving the desired goal i.e. success.	
	Organization should think about maximum prosperity of employees also.	
	3) Mental-Revolution: Taylor introduced the concept of "Mental Revolution". This	
	principle focuses on change in the attitude of employees and management towards each	
	other. Both should realize their equal importance in organization. They should give full	
	c oop eration for achieving goal of organization. This will increase productivity and profits.	
	4) Cooperation, Not Individualism : This principle emphasizes on mutual cooperation	
	between workforce i.e., employees and management. Due to cooperation, trust, team spirit	
	etc. internal competition will turn into healthy working environment. Management should	
	always consider the suggestions given by employees in decision making process. Employees should be treated as an integral part of organisation in all respects. At the same	
	time employees should resist themselves from going on strikes and making unnecessary	
	demands from management. They should treat each other as two pillars of organization.	
	5) Division of Responsibility : Proper division of work should always be accompanied	
	with division of responsibilities between the managers and employees. Major planning is	
	done by the top and middle level management authorities whereas employees are	
	concentrating on its execution. The reporting is done as per the instructions given by their	
	superiors. Managers should always help, encourage and guide the employees. It helps for	
	best performances of managers as well as employees.	
	6) Development of employer and employees for greater efficiency and maximum	
	prosperity : Best performance of any organization always depends on the skills and	
	capabilities of its, employees to a great extent. Thus, providing training and development	
	programmes to the employees whenever required, is very essential. It ultimately affects	
	the profitability of the, organization. Each employee should be given proper opportunity	
	to attain greater efficiency and maximum prosperity.	
	1) Private Warehouses:	





	The private warehouses are owned and operated by big manufacturers and merchants to fulfil their own storage needs. Big business firms which need large storage capacity on a regular basis and who can afford money, construct and maintain their private warehouses. A big manufacturer or wholesaler may have a network of his own warehouses in different parts of the country. 2) Public Warehouses:	
	A public warehouse is a specialised business establishment that provides storage facilities to the general public for a certain charge. It may be owned and operated by an individual or a cooperative society. It works under a license from the government in accordance with the prescribed rules and regulations. Public warehouses provide storage facilities to small manufacturers and traders at low cost. These warehouses are well constructed and guarded round the clock to ensure safe custody of goods. Public warehouses are generally located near the junctions of railways, highways and waterways. 3) Bonded Warehouses:	
	Bonded warehouses are licensed by the government to accept imported goods for storage until the payment of custom duty. These warehouses work under the control of custom authorities.	
_	The warehouse keeper is required to give an undertaking or 'Bond' that it will not allow the goods to be removed without the consent of the custom authorities. The goods are held in bond and cannot be withdrawn without paying the custom duty. If an importer is unable or unwilling to pay customs duty immediately after the arrival of goods he can store the goods in a bonded warehouse. He can withdraw the goods in installments by paying the customs duty proportionately.	
_	 4) Duty paid Warehouses: If an importer faces any problem in transportation of goods, after making payment of duty, then goods can be stored at a duty paid warehouse. All duty paid warehouses are public warehouses which are available to all importers. Duty paid warehouses help the importer as proper care of goods is taken, processing of goods can be done like sorting, repacking etc. 	
	Such warehouses are more useful for re-export of the goods. These are located near port & dock area.	
	5) Government Warehouses: These warehouses are owned, managed and controlled by central and state governments or public authorities. It is difficult for small farmers, businessmen, traders to own a warehouse, so these government warehouses assist them in storing their goods at nominal	
	charge. Central Warehousing Corporation of India (CWC), State Warehousing Corporation (SWC) and Food	
	Corporation of India (FCI) are having warehouses across different states and country.6) Co-operative Warehouses:These warehouses are owned, managed and controlled by co-operative societies. They	
	 mainly provide warehousing facilities at most economical rates. These type of warehouses are very useful for farmers and traders and general public. 7) Cold storage Warehouses: 	
	Cold storage warehouses provide facilities for perishable commodities like fruits, flowers, vegetables, dairy products etc. In cold storage warehouses, goods are stored and refrigerated at very low temperatures so as to preserve them and use them in future. International trade has become possible due to these warehouses.	





3.	Meaning - A consumer dispute redressal commission at the state level established by the State	_
	Government is known as State Commission. It is also called as State Consumer Disputes	
	Redressal	
	Commission.	
	Composition - Each State Commission shall consist of	
	a) President: A person who is sitting or retired Judge of High Court, shall be appointed	
	by the	
	State Government as the president of State Commission in consultation with Chief Justice	
	of	
	High Court.	
	b) Member: Not less than four or not more than such number of members as may be	
	prescribed in consultation with the Central Government.	
	c) Tenure: The members will hold office for a term of five years or up to the age of sixty	
	sevenyears, whichever is earlier.	
	Qualification - The members of state commission shall have the following qualifications	
	a) Age - Members should not be less than 35 years of age.	
	b) Education - They should possess a Bachelors Degree from a recognised University.	
	c) Experience - They should have adequate knowledge and at least ten years experience	
	in dealing with problems related to economics, law, commerce, accountancy, industries	
	and public affairs or administration.	
	Monetary Jurisdiction - to entertain complaints where the value of the goods or services	
-	paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crore.	
Q.8	Attempt the following. (Any 1)	
1.	A service is an act of performance that one party can offer to another that is essentially	
1.	intangible and does not result in the ownership of anything. Its production may or may not	
	be tied to a physical product	
	Different business services are as follows:	
	1. Banking : A bank is a financial institution which deals with deposits and advances and	
	other related services. Bank provides various services related to money or financial	
	requirements of consumers.	
	Types of Banks:	
	1. Central Bank	
	2. Exchange Bank	
	3.Commercial Bank	
	4 Regional Rural Bank	
	4. Regional Rural Bank 5. Co-operative Bank	
	5. Co-operative Bank	
	5. Co-operative Bank6. Savings Bank	
	5. Co-operative Bank6. Savings Bank7. Development Bank	
	 5. Co-operative Bank 6. Savings Bank 7. Development Bank 8. Specialized Bank 	
	 5. Co-operative Bank 6. Savings Bank 7. Development Bank 8. Specialized Bank 9. Investment Bank 	
	 5. Co-operative Bank 6. Savings Bank 7. Development Bank 8. Specialized Bank 9. Investment Bank 2. Insurance: Insurance is a means of protection from financial loss. It is a form of risk 	
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	 5. Co-operative Bank 6. Savings Bank 7. Development Bank 8. Specialized Bank 9. Investment Bank 2. Insurance: Insurance is a means of protection from financial loss. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss. Insurance is a contract between the insurer and the insured, whereby the insurer agrees to compensate the insured against loss. The insured has to pay a certain fixed sum of money 	





	2) Principle of Insurable interest
	3) Principle of Indemnity
	4) Principle of Subrogation
	5) Principle of Contribution
	6) Principle of Mitigation of loss
	7) Principle of Causa-Proxima
	Types of Insurance
	I) Life Insurance
	II) Marine Insurance
	III) Fire Insurance
	3. Transport: Transportation is the movement of people, animals and goods from one
	location to another location or it can be defined as a means of carrying goods and people
	from one place to another place.
	Modes of transport : Generally, transportation is carried through various modes such as
	railways, roads, waterways and airway. Modes of transport are as follows:
	1. Road Transport
	2. Rail Transport
	3. Air Transport
	4. Water Transport
	5. Mono rail and Metro
-	6. Ropeways
	7. Pipeline
-	4. Warehousing: Warehousing refers to storage of goods and consists of all those
	activities which are connected with storage and preserving of goods. It is a means of
	storing the goods. Warehousing can be defined as a group of activities connected with the
	storing and preserving of stored goods from the time of production till the time of
_	- c ons umption.
	Functions of Warehouses:
	1) Storage
	2) Price Stabilization
	3) Risk bearing
	4) Financing
	5) Grading and Packing
	6) Transportation
	7) Time and Place Utility
	8) Processing
	Types of Warehouses
	1) Private Warehouses
	2) Public Warehouses
	3) Bonded Warehouses
	4) Duty paid Warehouses
	5) Government Warehouses
	6) Co-operative Warehouses
	7) Cold storage Warehouses
	5. Communication: Communication is an art of exchanging ideas, facts, information etc.
	from one person or entity to another. The process of passing any information from one
	person to another with the help of some medium is termed as communication. Types of Communication : Following are various types of communication:





	I) Postal Services
	Types of postal services:
	1. Mail Services
	2. Specialised Postal Services
	3. Money Remittance Services
	4. Retail Services
	II) Modem means of communication
	a. Courier Service
	b. Internet
	c. Email
•	Following are consumer dispute redressal forums established under the Act.
	1) District Commission: Meaning - A consumer dispute redressal commission at each
	district established by the State Government is known as District Commission.
	Composition - Each District commission shall consist of the following.
	a) President: A person who is sitting or retired or qualified to be a District Judge.
	b) Member: not less than two and not more than such number of members as may be
	prescribed, in consultation with the Central Government.
	c) Tenure: Any person appointed as President or a member of the District Commission
	shall hold office as such as President or as a member till the completion of his term for
	which he has been appointed. The members will hold office for a term of five years or
	upto the age of sixty five years, whichever is earlier.
	Qualification - The members of District Commission shall have the following
	qualifications
	a) Age - M embers should not be less than 35 years of age.
	b) Education - They should possess a Bachelors Degree from a recognised University.
	c) Experience - They should have adequate knowledge and at least ten years experience in
	- dealing with problems related to economics, law, commerce, accountancy, industries and
	public affairs or administration.
	Territorial Jurisdiction - Territorial Jurisdiction of district commission is entire district
	in which it is established.
	Monetary Jurisdiction - District Commission shall have jurisdiction to entertain
	complaints where the value of the goods or services paid as consideration does not exceed
	Rs. one crore.
	Appeal - Any person aggrieved by an order made by the District Commission may prefer
	an appeal against such order to the State Commission within a period of forty-five days
	from the date of the order, in such form and manner, as may be prescribed. The State
	Government, by notification may make rules about qualifications, method of recruitment,
	term of office, resignation and removal of president and members of district commission.
	However, any person already appointed as a President or member of district commission
	immediately before the commencement of this Act, will remain on the same post till the
	completion of his term for which he has been appointed.
	2) State Commission: Meaning - A consumer dispute redressal commission at the state
	level established by the State Government is known as State Commission. It is also called
	as State Consumer Disputes Redressal Commission.
	Composition - Each State Commission shall consist of
	-
	a) President: A person who is sitting or retired Judge of High Court, shall be appointed by
	the State Government as the president of State Commission in consultation with Chief
	Justice of High Court.





b) Member: Not less than four or not more than such number of members as may be prescribed in consultation with the Central Government. c) Tenure: The members will hold office for a term of five years or up to the age of sixty seven years, whichever is earlier. **Qualification** - The members of state commission shall have the following qualifications a) Age - Members should not be less than 35 years of age. b) Education - They should possess a Bachelors Degree from a recognised University. c) Experience - They should have adequate knowledge and at least ten years experience in dealing with problems related to economics, law, commerce, accountancy, industries and public affairs or administration. **Territorial Jurisdiction** - It can entertain original cases as well as appeals against the order of District Commission which are within the geographical limits of the state. **Monetary Jurisdiction** - to entertain complaints where the value of the goods or services paid as consideration, exceeds Rs. one crore, but does not exceed Rs. ten crore. Appeal - Any person aggrieved by an order made by the State Commission may prefer an appeal against such order to the National Commission within a period of thirty days from the date of the order in such form and manner as may be prescribed. The Central Government, by notification may make rules about qualifications, method of recruitment, term of office, resignation and removal of President and Members of State Commission. However, any person already appointed as a President or member of State Commission immediately before the commencement of this Act, will remain on the same post till the completion of his term for which he has been appointed. 3) National Commission Meaning - A consumer dispute redressal forum at the National level established by the Central Government by notification is known as National Commission. It is also called as the National Consumer Disputes Redressal Commission. Composition - National Commission shall consist of a) President: A person, who is or has been a Judge of the Supreme Court, shall be appointed by the Central Government as the president of National Commission in consultation with Chief Justice of India. b) Member: Not less than four and not more than such number of members as may be prescribed. c) Tenure: The members will hold office for a term of five years or up to the age prescribed, whichever is earlier. Qualification - The members of national commission shall have the following qualifications a) Age - Members should not be less than 35 years of age. b) Education - They should possess a Bachelors Degree from a recognised University. c) Experience - They should have adequate knowledge and at least ten years experience in dealing with problems related to economics, law, commerce, accountancy, industries and public affairs or administration. Territorial Jurisdiction- It can entertain original cases as well as appeals against the order of State Commission which are within the geographical limits of the state. Monetary Jurisdiction - to entertain complaints where the value of the goods or services paid as consideration exceeds Rs. ten crore. Appeal- Any person, aggrieved by an order made by the National Commission may prefer an appeal against such order to the Supreme Court within a period of thirty days from the date of the order. The Central Government, may by notification make rules about the qualification, appointment, term of office, salaries, resignation and removal of the President and Members of the National





Commission. However, the President and the members shall hold the office for maximum five years, but are eligible for responsement. The Act further provides that the President can work upto the age of seventy years and members can work upto the age of sixty seven years.