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### DO YOU KNOW YOUR CONSUMER RIGHTS?

by

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Much of the reasoning behind our consumer laws is to better equalize the buyer's knowledge and the seller's knowledge for performance in the marketplace. Our society is attempting to safeguard consumers from deceptive trade practices; yet, we find that many people do not know their consumer rights.

This questionnaire, created by a husband and wife research team at the University of Texas, is designed for use by individuals and groups to help stimulate further exploration of consumer protection rights and the marketplace in general.

Even though the questionnaire is a true and false examination which would theoretically allow a 50% chance of guessing correctly, no income group surveyed in the Texas study achieved over 40% correct. There was little, if any, difference between income groups. In one sample, made of practicing attorneys, answers were significantly better than consumers in general, but they only obtained a score of 50.6% which was not significantly better than guessing at 50%. Scores were particularly low in regard to door-to-door selling, false or deceptive advertising, false or deceptive retail advertising, and deceptive retailing practices.

We have found the questionnaire a good way to initiate discussion about consumer rights. Care should be taken not to embarrass persons who score low in this exercise.

We are indebted to the Dr. Cunninghams for their permission to use this instrument for non-profit purposes. Any reproduction of this questionnaire should give credit to the authors and the American Marketing Association for permission to utilize this questionnaire.

For more information, see *W. H. Cunningham and I. C. M. Cunningham, "Consumer Protection: More Information or More Regulation?" Journal of Marketing, Chicago, Vol. 40 (April, 1976), pp. 63-68.*

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QUESTIONNAIRE KEY

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|-----------|-----------|
| 1. False  | 19. False |
| 2. True   | 20. False |
| 3. False  | 21. False |
| 4. False  | 22. False |
| 5. False  | 23. True  |
| 6. True   | 24. False |
| 7. False  | 25. False |
| 8. False  | 26. False |
| 9. True   | 27. True  |
| 10. True  | 28. False |
| 11. True  | 29. True  |
| 12. False | 30. True  |
| 13. True  | 31. True  |
| 14. True  | 32. False |
| 15. True  | 33. False |
| 16. True  | 34. True  |
| 17. True  | 35. False |
| 18. False |           |

CONSUMER KNOWLEDGE

Category of the Law	Questions	
False or Deceptive Advertising		
True	1. A children's commercial for toy race cars which exaggerates the speed of the cars is <u>legal</u> .	False
True	2. An advertisement for a diet bread which is regular bread, but sliced thinner than other bread and therefore has a few less calories per slice is <u>not legal</u> .	False
True	3. An advertisement which claims that an automobile will get good mileage because its motor runs cool is <u>legal</u> even though there is no relationship between a car's mileage and how hot its motor runs.	False
True	4. It is <u>legal</u> to advertise locally a brand name similar to that of a well known nationally advertised brand even if some individuals may perceive the local brand as being the same as the national brand.	False
False or Deceptive Retail Advertising		
True	5. It is <u>legal</u> for a store to advertise a product at a certain low price, then try to switch the consumer to a higher priced product by pointing out the faults of the lower priced product.	False
True	6. It is <u>not legal</u> to advertise a low priced item and then only stock enough for the first few customers who enter the store.	False
True	7. It is <u>legal</u> for a store to have a going out of business sale even though in reality it is NOT going out of business.	False
True	8. It is <u>legal</u> to advertise a television as being "original" if it has been totally reconditioned.	False
True	9. It is <u>not legal</u> for a store to have a fire sale unless it has had a fire which has damaged its ability to do business.	False

- True 10. It is not legal for an advertisement to indicate that a product will be given "free" to the consumer if the consumer purchases a second product, when the second product's price has been raised to cover part of the cost of the "free" product. False

#### Credit Regulations

- True 11. It is not legal for debt collectors to make annoying telephone calls to the consumer or his family. False
- True 12. It is legal to deny a female college student a credit card on the basis of her sex. False
- True 13. It is not legal to deny a recent divorcee a credit card on the basis of her sex. False
- True 14. It is not legal to deny a widow a credit card on the basis of her sex. False

#### Credit Reporting

- True 15. If you have been denied credit, you have the legal right to be told the name and address of the consumer reporting agency responsible for preparing the report that was used to deny the credit. False
- True 16. If you have been denied credit, you have the legal right to know the nature and substance of the information (except medical) collected about you by a credit reporting agency. False
- True 17. If you have been denied credit and a dispute between you and the credit reporting agency cannot be resolved, you have the legal right to have your version of such a dispute placed in your file and included in future consumer reports. False

#### Door-to-Door Selling

- True 18. When you purchase a vacuum cleaner from a door-to-door salesman, and on the following day you change your mind and want to return it, the salesman may legally refuse to refund 100% of your purchase. False
- True 19. It is legal for the sales contract for the purchase of a television to be in a different language than that used by the salesman to sell you the product. False
- True 20. A door-to-door salesman is not legally required to furnish the purchaser with a fully completed contract until 24 hours after the sale has taken place. False

True 21. It is legal for a salesman of encyclopedias to give you a special discount on your purchase if you refer him to three of your friends for a sales presentation. False

True 22. A written sales contract which stipulates that you may not return the purchase you made from a door-to-door salesman within 48 hours after the sale was made is legal. False

#### Automobile Sales

True 23. When selling a car, it is not legal to turn the odometer (mileage meter) back on the car to show that the vehicle has less miles on it than it actually has. False

True 24. Automobile dealers are not legally required to display on their new cars' window a ticket by the manufacturer listing the basic price, the price of federal tax, factory installed accessories, and the retailer's service and delivery charges. False

#### Credit Cards

True 25. You are legally responsible for a credit card which has been mailed to you which you did not request. False

True 26. If one of your credit cards is stolen, you are legally responsible for all unauthorized charges until you have notified the company which issued the card (including excess of \$50.00). False

#### Labeling

True 27. A manufacturer which produces merchandise which is subject to cleaning, such as clothing, is legally required to have a label in plain sight which tells the consumer how the product is to be laundered or dry cleaned. False

True 28. It is legal for a manufacturer to make clothing out of textile products without a label which indicates what the product was made of. False

#### Truth in Lending

True 29. Banks and other lending institutions are legally required to state the true interest rate and all other costs of a credit transaction. False

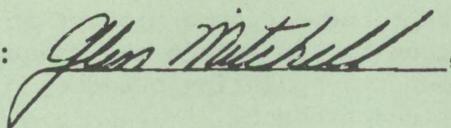
True 30. Retail stores are legally required to state the true interest rate and other costs of credit transactions. False

Deceptive Retail Practices

- |      |   |       |
|------|---|-------|
| True | 31. It is <u>not legal</u> for a gasoline company to have a game or raffle without posting the odds of winning.   | False |
| True | 32. It is <u>legal</u> for a store to tell you that you have won a free gift of an oil painting if you have to pay \$15.00 for the frame to receive the gift.                         | False |
| True | 33. If a stuffed teddy bear is delivered to your door which you did not order, if you want to keep it, you are <u>legally</u> required to pay for it.                                 | False |
| True | 34. If a store offers a product for sale at 50% off, it is <u>not legal</u> for it to have raised the price of the product for a few days prior to the beginning of the 50% off sale. | False |
| True | 35. It is <u>not legal</u> for a customer to try to obtain additional services which were promised to him by the salesman, but which are not mentioned in the written sales contract. | False |

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