

Chapter 4 – Consumer Purchasing and Protection

I-Summary

This chapter teaches you how to make and execute effective buying decisions. There are three key factors to keep in mind when making any buying decision:

1. Economic factors, which include prices, brand names, quality, and maintenance costs
2. Social factors, including lifestyle and culture
3. Personal factors, such as age, occupation, and family size

To insure the best value when making a purchase, do your research. This involves identifying needs, gathering information, knowing the marketplace, and weighing the alternatives—*before* making the purchase.

Remember that you may need to negotiate, and that can work to your benefit. You will need to decide whether to pay cash or use credit.

Follow these six strategies when making your buying decisions:

1. Time your purchases.
2. Select the best stores.
3. Compare brands.
4. Check the labels.
5. Compare prices.
6. Carefully evaluate warranties.

In case of a problem with your purchase, there is a course of action to follow to get the result you want. First, return to the place of purchase. If you are not satisfied, contact the manufacturer. If there is still no resolution, go to a consumer agency or dispute resolution program. Finally, as a last resort, consider taking legal action. If legal action is needed, you have alternatives, such as a lawsuit in small claims court, joining a class-action suit, hiring a lawyer, or seeking assistance from a legal aid society.

Chapter 4 – Consumer Purchasing and Protection

I-Quiz

1. What are dishonest business practices that are meant to deceive, trick, or gain an unfair advantage?
 - A. deceptive marketing
 - B. fraud
 - C. scams
2. What should you avoid when shopping?
 - A. price comparisons
 - B. making lists
 - C. impulse buying
3. Which agency sets safety standards for food, drugs, cosmetics, and household and medical products?
 - A. The Consumer Product Commission
 - B. The Food and Drug Administration
 - C. The Standards Regulation Agency
4. What is the use of a standard unit of measurement to compare the prices of packages that are different sizes?
 - A. unit pricing
 - B. size comparison
 - C. standardized pricing
5. What is one drawback of paying on credit?
 - A. interest fees
 - B. delivery charges
 - C. time delays

Answer Key

1. B
2. C
3. B
4. A
5. A