

Chapter 11 The Role of Government in Our Economy

Section 11.1 Government as Regulator

Section Summary with Key Terms and Academic Vocabulary

Government as Regulator There are three levels of government: federal, state, and local. The federal government runs the country. A state government runs each state. Local governments run counties, cities, towns, and townships. Each level of government oversees a different level of business. One of government's roles is to foster success in our market economy. It does this by enacting laws for organizations and people to follow. Laws protect competition, business agreements, and creative rights. They also help the government to regulate the production process. In some cases, government must approve an item before it can be produced.

Key Terms

interstate commerce Business that takes place between states

intrastate commerce Business within each state

monopoly A company that controls an industry or is the only one to offer a product or service

oligopoly A small number of companies that control an industry

trust A group of companies that band together to form a monopoly and cut out competition

antitrust laws Laws that allow the federal government to break up monopolies, regulate them, or take them over

contract A legal agreement between two or more parties to do business

breach of contract The failure of one party to live up to the terms of a contract

copyright The exclusive legal right given to artists to own their creations

patent A legal grant for the sole right to own an invention

trademark A name, symbol, or characteristic that identifies a product

Academic Vocabulary

federal Of or relating to the central government or a federation as distinguished from the governments of the constituent units

enable To make possible, practical, or easy

symbol Something that stands for or suggests something else by reason of relationship, association, convention, or accidental resemblance

registered Enrolled formally