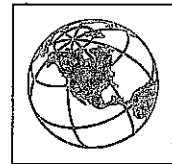


Study Guide Score . . . 27 Name _____

Deduct. Date _____ Class _____

Your Score



Government in Our Economy

STUDY GUIDE

PART I

Directions: Indicate whether each statement below is correct or incorrect by placing a check mark on the line under *true* or *false* at the right.

	TRUE	FALSE	For Scoring
1. Interstate commerce involves just one state.	_____	_____	1. _____
2. One role of government is to protect our basic rights.	_____	_____	2. _____
3. Only businesses benefit from enforcement of contracts.	_____	_____	3. _____
4. Public utilities provide a service or product that is vital to all people. .	_____	_____	4. _____
5. Prices of goods and services are usually lower when there is competition among several businesses.	_____	_____	5. _____
6. Except for public utilities, the government does what it can to encourage monopolies.	_____	_____	6. _____
7. Governments raise money through licenses and fees.	_____	_____	7. _____
8. Patent laws are designed to discourage people from inventing so many new things.	_____	_____	8. _____
9. Governments raise revenue by selling bonds.	_____	_____	9. _____
10. Bonds issued by our federal government are considered to be risky investments.	_____	_____	10. _____

PART II

Directions: Indicate your answer to each of the following questions by placing a check mark on the line under *yes* or *no* at the right.

	YES	NO	For Scoring
1. Does government regulate business to promote competition and fairness? . .	_____	_____	1. _____
2. Does government provide special assistance and important information for businesses?	_____	_____	2. _____
3. Do only federal and state governments have to raise revenue?	_____	_____	3. _____
4. Is a sales tax a major source of revenue for local governments?	_____	_____	4. _____
5. Is an electric company a public utility?	_____	_____	5. _____

PART III

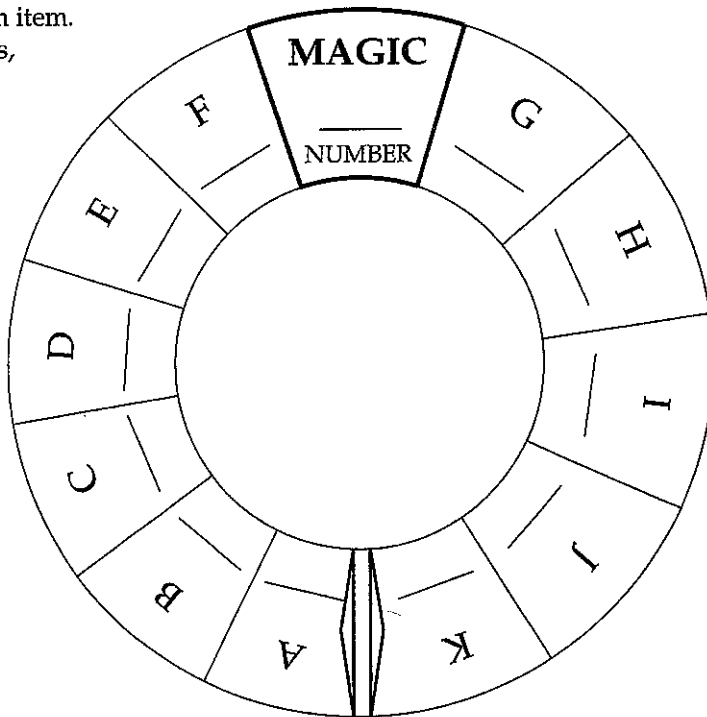
Directions: Below is a list of eleven terms used in Chapter 11. Each term has a value shown by the number beside it. To find the magic number (answer) for the puzzle below, follow these instructions:

- Read each definition.
- Select the term that defines it.
- Find the space on the "Wheel of Magic Numbers" that matches the definition.
- Write the number (or value) of the definition in that space.
- Add all of the numbers on the right side of the wheel.
- Add all of the numbers on the left side of the wheel.
- If you have matched each term with its definition and entered the correct number, your two totals will be the same—that is, they will match the number shown in the "Magic Number" space.

1. interstate commerce
2. intrastate commerce
3. contract
4. patent
5. copyright
6. trademark

7. intellectual property
8. public utility
9. monopoly
10. antitrust law
11. revenue

- A. When a business has control over a market for a product or service.
- B. Business transactions involving businesses in more than one state.
- C. An organization that supplies goods or services that are vital to all people.
- D. Property that is intangible (cannot be seen or touched).
- E. Business transactions involving companies that do business in just one state.
- F. Words, letters, and symbols associated with a particular company or product.
- G. Government action designed to promote competition and fairness among businesses.
- H. An agreement to exchange goods or services for something of value.
- I. Government income.
- J. The exclusive right to make, use, or sell an item.
- K. Protection for the creative work of authors, composers, and artists.



ACTIVITIES**Applying Critical Thinking Skills**

Government units are involved in a wide variety of activities. Column 1 below lists five areas in which the government is involved in our economy. In Column 2 list two or more specific government activities for each area of government involvement. The first item is given as a sample.

COLUMN 1	COLUMN 2
providing services	Sample: <i>libraries</i> <i>fire protection</i> <i>highways</i> <i>schools</i>
protecting society, businesses, consumers, and workers	
regulating and managing the economy	
providing information and financial assistance	
buying goods and services	

Applying Thinking and Information Skills

As you have learned, governments raise money in several ways, including levying taxes. Tax revenues are an important source of money to support government services. The table below shows total tax revenues for 10 selected countries in a recent year. Study the table and then answer the questions that follow.

TAX REVENUES		
Country	Total (in billions)	Per Capita (in dollars)
Australia	\$ 100	\$ 5,589
Canada	201	6,858
Denmark	75	14,460
France	586	10,129
Germany	803	12,197
Japan	1,304	10,434
Luxembourg	6	16,271
Switzerland	87	12,464
United Kingdom	348	5,968
United States	1,885	7,234

Source: *Statistical Abstract of the United States, 1997*

- In which country does the individual citizen pay the most in total taxes? _____
How much does a citizen there pay? _____
- Which country raises the lowest amount of total tax revenues? _____
How much does it raise? _____
Why is the amount paid per individual so high? _____

- Compared with the other countries shown in the table, how does the United States rank in terms of taxes paid by each individual citizen?

U.S. citizens commonly complain about the high taxes they have to pay; based on this table, do you believe that these complaints are well-founded?

4. Rank in order the top five countries according to the total amount of taxes raised. Put the highest total as number one. Then rank the top five countries according to the amount of tax per capita making the highest figure number one.

Top Five Countries in Total Tax Revenue

Top Five Countries in Per Capita Tax Dollars

1. _____
2. _____
3. _____
4. _____
5. _____

1. _____
2. _____
3. _____
4. _____
5. _____

Which countries are in the top five in both lists? _____

Why is the United States not in the top five in per capita tax dollars? _____

Applying Information

Listed below are actions that have been proposed by state and local governments. For each situation, decide whether taxes would most likely increase, decrease, or remain constant. Write your answers in the spaces provided. Be prepared to discuss your answers in class.

PROPOSED ACTION	EFFECT ON TAXES
1. The community swimming pool will start charging admission; it was previously free.	
2. The city council would like to buy state-of-the-art fire-fighting equipment.	
3. Trash collection is being changed from twice a week to once a week.	
4. The park district is collecting newspapers and aluminum cans for sale to a recycling company.	
5. A need exists for improved street lights throughout the downtown shopping areas.	
6. The city will contribute additional money into the employees' pension fund.	

7. The government must borrow money to finance the building of a new athletic complex for the high school.	
8. A vacant school building and grounds sold to a developer for a new housing area.	

Analyzing Information

Each month the federal government reports information about various aspects of our economy. This information is often presented in newspapers and magazine articles. Locate one of these articles, read it, and prepare a report following the outline below. Attach a copy of the article to your report.

I. Cover sheet

Title of the article

Source

Date

Your name

Class

II. Body of the report

Summary of the information presented in the article.

Statements on how this information affects you, your family, or your community.

Statements on how this information affects local businesses, workers, and the economy in general.

Comments on how this information has changed over the past few months if any has occurred.

III. Concluding comments

Ideas on what future government actions might be taken as a result of this information.

Your opinion as to the value of this information.