

# Chapter 18 Business and Regulations

## Section 18.1 Corporate Regulations



### Note Taking

**Directions** As you read, write notes, facts, and main ideas in the Note Taking column. Write key words and short phrases in the Cues column. Then summarize the section in the Summary box.

Cues	Note Taking
<ul style="list-style-type: none"> <li>Government regulates commerce in three areas: securities, antitrust, corporate takeovers.</li> </ul>	<p><b>BUSINESS AND THE CONSTITUTION</b></p> <ul style="list-style-type: none"> <li>The Commerce Clause of the U.S. Constitution gives Congress the power to regulate commerce among the states.</li> </ul>
<p style="text-align: center;"><b>Summary</b></p> <p>The Commerce Clause is a statement in Article I of the Constitution giving Congress the power to regulate commerce among the states.</p>	

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### Social Studies Regulating Business

**Directions** Governments regulate commerce in three areas: securities, antitrust, and corporate takeovers. Read the following questions and statements. Use the space provided to write which act of law each refers to. The first one has been done for you.

1. This antitrust law made monopolies illegal.

The Sherman Antitrust Act

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2. Which securities regulation was designed to protect investors by making sure they can learn about the securities they buy?
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3. This law created the Securities and Exchange Commission.
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4. This antitrust law makes it illegal to sell goods on the condition that a buyer cannot buy products from a competitor.
- 
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5. Which securities regulation prohibits most corporate loans to directors and executives?
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6. Which federal regulation of corporate takeover acts requires a suitor to file a statement indicating where the money for the takeover is coming from, why the suitor is purchasing the stock, and how much of the target the suitor owns?
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7. This antitrust law says companies cannot sell goods at lower prices to large purchasers without offering the same discount to smaller purchasers.
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### Study Skills Using Note Cards

**Directions** Read the tips below. Then create your own note cards by using the model shown.

#### CREATING NOTE CARDS

When it comes to organizing your research for a project or paper, note cards can be useful. You can create cards from blank 3 × 5 or 5 × 7 index cards. Write information on them that pertains to the subject you are studying.

<b>Topic:</b>	<b>Source:</b>
<b>Fact, quote, or thought:</b>	

- In the upper left corner, write the topic of your paper.
- In the upper right corner, write the name of the source for this particular card.
- Enter a single fact, quote, or thought that you would like to include in your paper. Repeat with the remaining cards for each fact, quote, or thought.
- Organize your cards to coincide with the outline of your paper.
- Keep a separate set of cards for each type of resource you have used, such as magazines, Internet sources, textbooks, and other books.

Follow the model and create your own note card using the *BusinessWeek News* article in Section 18.1 of your textbook.

<b>Topic:</b>	<b>Source:</b>
<b>Thought:</b>	

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### Test Prep Test Materials

**Directions** Read the tips below. Then answer the questions that follow by circling the letter of the correct answer.

#### ANTICIPATING TEST MATERIAL

- Pay special attention to study guides that your teacher has handed out.
- Do not be afraid to ask your teacher what material will be on the test.
- Pay close attention to points that your teacher brings up during class lectures just before the exam.
- Make a list of possible questions you would ask if you were writing the test. Try to answer your own questions.
- Review past tests.
- Confer with your classmates and try to predict what will be on the test.
- Be sure to note ideas or points that your teacher writes on the board or says more than once.

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1. A business situation in which one person, company, or group of companies controls the market for a product or service is called
  - a. a conglomerate.
  - b. a successful business.
  - c. a monopoly.
  - d. a product regulation.
2. The registration statement is
  - a. a general description of the securities and of the company making the offer.
  - b. a federal regulation that makes selling goods across state lines illegal.
  - c. a strict environmental regulation passed in 1933.
  - d. a document that prohibits companies from selling goods at discounted prices.
3. A monetary investment that seeks to make a profit solely because of another's efforts is called
  - a. a trust.
  - b. a security.
  - c. a monopoly.
  - d. a commerce clause.
4. A statement in Article I of the Constitution giving Congress the power to regulate commerce among states is called
  - a. the Securities Act of 1933.
  - b. the Commerce Clause.
  - c. the Sherman Antitrust Act.
  - d. the Clayton Antitrust Act.
5. The Robinson-Patman Act is an amendment to
  - a. the Federal Trade Commission Act.
  - b. the Sherman Antitrust Act.
  - c. the Clayton Antitrust Act.
  - d. the Securities Act of 1933.

# Chapter 18 Business and Regulations

## Section 18.2 Environmental Laws



### Note Taking

**Directions** As you read, write notes, facts, and main ideas in the Note Taking column. Write key words and short phrases in the Cues column. Then summarize the section in the Summary box.

<p style="text-align: center;"><b>Cues</b></p> <ul style="list-style-type: none"> <li>EPA = Environmental Protection Agency; established 1969</li> </ul>	<p style="text-align: center;"><b>Note Taking</b></p> <p><b>ENVIRONMENTAL PROTECTION</b></p> <ul style="list-style-type: none"> <li>Industrial damage to the environment and human health caused government to pass laws protecting the environment.</li>   <li>Clean Water Act guards against water pollution.</li> </ul> <p><b>ENERGY REGULATION AND CONSERVATION</b></p> <ul style="list-style-type: none"> <li>In response to the 1973 oil crisis, the U.S. government established the DOE.</li> </ul>
<p><b>Summary</b></p> <p>The Environmental Protection Agency (EPA) is the federal agency responsible for protecting the environment.</p>	

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# Chapter 18 Business and Regulations

## Section 18.2 Environmental Laws



### English Language Arts Reading Skills

**Directions** Read the tips below. Practice the tips while you read section 18.2 in your textbook, then answer the questions that follow.

#### TIPS FOR READING DIFFICULT MATERIAL

- Begin by scanning the section. Look at titles, headings, and subheadings. Pay attention to graphs, charts, and diagrams.
- If there is an end-of-section summary, read it to familiarize yourself with the material in the section.
- Go back and read the section from the beginning. Highlight material that you do not understand so you can review it later.
- As you read, pause occasionally and ask yourself questions about the material you have just read. Make sure you can answer the questions before moving on.
- As you come across words you are unfamiliar with, stop and look them up in a dictionary so you can better understand what you are reading.
- If you have read the section and still do not understand parts of it, put it aside and reread it later. The material often will become clearer to you the second time you read it.
- If you have reread the material and are still having trouble, consult a classmate, teacher, or tutor for help.

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1. What parts of the section were easy for you to understand? Which parts did you highlight and read a second time?

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2. Which words in the section did you need to look up?

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3. Which section headings or subheadings were most helpful to you while scanning the section?

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4. Which parts of the section did you set aside to reread later?

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## Section 18.2 Environmental Laws



### Study Skills Improving Your Study Habits

**Directions** Learn to implement these study habits below into your daily routine. Then answer the questions that follow.

TIPS FOR IMPROVING YOUR STUDY HABITS
<ul style="list-style-type: none"><li>• Take responsibility for yourself. Recognize that in order to succeed, you must make the right decisions about your priorities, time, and resources.</li><li>• Do not allow friends to influence you in a negative way about what you feel is important.</li><li>• Complete the goals you have set for yourself. Stay on task. Do not let friends or others distract you from your studies.</li><li>• Establish the time of day in which you study most effectively: morning, afternoon, or evening. Also, know the place that suits you best for studying. It may be your bedroom, the library, or some other location.</li><li>• If you are having trouble understanding the material, do not just keep reading it over and over. Ask another student or your teacher to help clarify for you.</li><li>• Challenge yourself continuously to improve your study skills and ultimately your grades!</li></ul>

1. What must you do in order to succeed in your studies?

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2. How can you complete the goals you have set for yourself?

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3. How can you maximize the effectiveness of your study time?

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4. What strategy can you use when you are having trouble understanding the course material?

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5. What advice would you give other students who are attempting to improve their study habits?

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### Test Prep Review Tools for Tests

**Directions** Read the tips below. Then answer the questions that follow by writing the correct answer in the space provided.

**REVIEW TOOLS FOR TESTS**

- Create study checklists. Identify all of the material that you will be tested on. List notes, formulas, ideas, and text assignments you are accountable for.
- Make summary notes. These should display lists and hierarchies of ideas.
- Record class lectures and portions of the text you feel are important. Listen to them multiple times.
- Create flash cards for key terms and ideas that you need to memorize. Put the term or topic on one side of the card. Put the definition or description on the other side.

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1. In what year was the Environmental Protection Agency established?
  - a. 1900
  - b. 1925
  - c. 1969
  - d. 2006

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2. Which of the following is a role of the Federal Energy Regulatory Commission?
  - a. dissolve monopolies
  - b. regulate electricity and natural gas
  - c. regulate nuclear energy
  - d. regulate interstate trade

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3. Which of the following was a result of the Clean Air Act of 1970?
  - a. automobiles identified as a major source of air pollution
  - b. the National Ambient Air Quality Standards
  - c. government regulation of the auto industry
  - d. introduction of the Kyoto Protocols

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4. The Environmental Protection Agency can do all of the following except
  - a. conduct research
  - b. create and administer pollution control guidelines
  - c. administer grants to help eliminate pollution under state-run programs
  - d. control the wholesale price of natural gas



# Chapter 18 Business and Regulations

## Chapter Content Vocabulary



### English Language Arts Writing

**Directions** Use each of the following words in a sentence that shows you understand the meaning of the word.

Commerce Clause  
security  
registration statement  
prospectus  
monopoly  
Environmental Protection Agency  
Federal Energy Regulatory Commission  
Nuclear Regulatory Commission

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_
5. \_\_\_\_\_  
\_\_\_\_\_
6. \_\_\_\_\_  
\_\_\_\_\_
7. \_\_\_\_\_  
\_\_\_\_\_
8. \_\_\_\_\_  
\_\_\_\_\_

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# Chapter 18 Business and Regulations

## Chapter Academic Vocabulary



### English Language Arts Reading Skills

**Directions** Circle the letter for the term or phrase that best completes each sentence.

1. **Commerce** is
  - a. the trading of something of value between two entities.
  - b. a monetary investment that seeks to make a profit because of another's efforts.
  - c. cooperation between state and national agencies to clean up waterways.
  - d. regulated by the EPA.
  
2. **Administer** means
  - a. to attend with regularity.
  - b. to work in an administrative capacity.
  - c. to work collectively.
  - d. to work individually.
  
3. **Certify** means
  - a. to be sure of.
  - b. to fluctuate with irregularity.
  - c. to guarantee as meeting a certain standard.
  - d. to know to be accurate.
  
4. The EPA prefers that businesses follow or \_\_\_\_\_ with its standards.
  - a. interfere
  - b. tamper
  - c. argue
  - d. comply
  
5. The Clean Air Act of 1963 set automobile \_\_\_\_\_ standards.
  - a. safety
  - b. emissions
  - c. color
  - d. price
  
6. Being **proactive** means
  - a. to work as much as possible.
  - b. to present gifts to the EPA.
  - c. to act before a situation becomes a source of confrontation or crisis.
  - d. to react to a dangerous situation.