

Chapter 18 – Business and Regulations

I-Study

In this chapter you learned about how the government regulates corporations, energy, and the environment. The federal government gets its power to regulate business from the Commerce Clause of the United States Constitution. Congress passed the Securities Act of 1933 and the Securities Exchange Act of 1934 to protect investors in securities from fraud and unfair practices. Congress has passed a series of antitrust laws to prevent monopolies from controlling the market for a product or service. Congress, state legislatures, and the courts have created various laws to regulate the corporate takeover process.

Federal laws passed to protect the environment include the National Environmental Policy Act, the Clean Air Act, the Clean Water Act, and the Toxic Substance Control Act. Many states have created their own state laws and standards to deal with environmental concerns. The Department of Energy (DOE), the Federal Energy Regulatory Commission (FERC), and the Nuclear Regulatory Commission (NRC) were created to develop an energy policy and regulate the energy industry. Every state in the U.S. has an energy office to deal with energy-related concerns, such as improving energy regulation, promoting energy-efficient technologies, and reducing the cost of energy development and production.

I-Quiz

1. The federal government gets its power to regulate business from what part of the U.S. Constitution?
 - A. The Commerce Clause
 - B. The 4th Amendment
 - C. The 1st Amendment
2. For what purpose did Congress pass the Sherman Act?
 - A. Regulate securities
 - B. Make monopolies illegal
 - C. Regulate corporate takeovers
3. The first major environmental law was passed by Congress in which decade?
 - A. The 1890s.
 - B. The 1930s.
 - C. The 1950s.
4. Which government agency regulates electricity and gas?
 - A. The Environmental Protection Agency
 - B. The Federal Energy Regulatory Commission
 - C. The Nuclear Regulatory Commission.

Answer Key

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