The Market Around Us

How government actions shape a neighborhood market

USG.C.1.5.B "Describe the United States of America government's role in a market system including the promotion of competition, protection of private property and consumer rights, and access to public goods and services."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline at least one government action for each role, circle someone it helps, and label the action 1 for competition, 2 for private property, 3 for consumer rights, or 4 for public goods and services.

A New Store on Cedar Street

1. When a second grocery store proposes opening near Cedar Street, shoppers may gain another place to compare prices and quality. Competition can push stores to improve service, but it does not always happen on its own. Suppose the two stores secretly agree to keep milk prices high. Federal antitrust laws prohibit agreements among competitors to fix prices, and agencies such as the Federal Trade Commission can investigate such conduct. Government does not set the price of every carton of milk. Instead, enforcing rules against price fixing helps shoppers choose among businesses that must compete for their sales.

2. The new store also needs secure space for its refrigerators and shelves. Public land records help establish who owns its building, while courts can enforce a valid lease if the store rents instead. These protections make it safer to invest money in a business. Shoppers need protections of their own. Federal law requires nutrition labels on most packaged foods, so customers can check what a product contains. The Federal Trade Commission can act against deceptive advertising, such as a false claim about a product's price. Property rules protect control of business assets; consumer rules help buyers make informed choices.

3. Even strong stores cannot supply every useful service through individual purchases. Cedar Street's public streetlights illuminate the sidewalk for anyone passing by, including people who buy nothing. The city pays for those lights through public funds because collecting a separate payment from every walker would be difficult. A city bus route also brings workers and shoppers to the area; fares may cover part of the cost, while public funding can support the service. Streetlights are a shared public good, and the bus is a public service. Together, these investments make it easier for businesses and customers to meet.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does enforcing the rule against price fixing promote competition between the two grocery stores?

2. How do public land records or courts protect the store differently from the way nutrition-label rules protect shoppers?

3. Why might the city use public funds for streetlights and a bus route instead of leaving both entirely to individual purchases?

4. How do antitrust enforcement and the city bus route help Cedar Street shoppers in different ways?

3 YOUR TURN

Your own words

Imagine a bakery opening in another neighborhood. In four sentences, describe one realistic government action for each role: promoting competition, protecting private property, protecting consumers, and providing a public good or service; explain how each action helps the bakery or its customers.

ANSWER KEY

The Market Around Us

HIGH SCHOOL · USG.C.1.5.B

PART 1 · READ AND MARK

Underline at least one government action for each role, circle someone it helps, and label the action 1 for competition, 2 for private property, 3 for consumer rights, or 4 for public goods and services. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does enforcing the rule against price fixing promote competition between the two grocery stores?	**It prevents the stores from agreeing to keep prices high, so they must compete for shoppers' sales.**
2	How do public land records or courts protect the store differently from the way nutrition-label rules protect shoppers?	**Land records help establish ownership, and courts can enforce a valid lease, protecting the store's use of its space. Nutrition-label rules help shoppers check what packaged food contains.**
3	Why might the city use public funds for streetlights and a bus route instead of leaving both entirely to individual purchases?	**Streetlights benefit anyone passing by, and charging each person would be difficult. Public funding can also support a bus service used by workers and shoppers when fares do not cover its full cost.**
4	How do antitrust enforcement and the city bus route help Cedar Street shoppers in different ways?	**Antitrust enforcement helps preserve competition between stores. The bus route helps shoppers reach the stores.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Antitrust officials could challenge a merger that would substantially reduce competition among nearby bakeries, preserving choices for customers. Police can investigate the theft of the bakery's ovens, protecting its property. Local health inspectors can check the bakery's kitchen for food safety violations, protecting customers. The city can maintain a public sidewalk outside the bakery, giving everyone a route to nearby businesses.

Accept other accurate government actions if students explain how each serves its stated role. For the final task, look for four distinct actions connected to the bakery or its customers.