

-Chapter 16 Part 2-

Why the Government Intervenes in the Economy

Assignment terminology:

- Identify: Write the term. No further explanation or definition required.

- Define: Identify and provide the meaning of the term.

- Explain: Provide reasoning using additional details and/or ideas. Usually requires 1-3 full sentences.

Economic Regulation (2 points)

1. Which of the following reasons why the government intervenes in the economy is this article an example of?
 1. Businesses sometimes earned profits unfairly
 2. Unsafe products have harmed consumers
 3. The environment has been damaged.

How the Tylenol murders of 1982 changed the way we consume medication

Dr. Howard Markel

PBS

September 29, 2014

Early on the morning of Sept. 29, 1982, a tragic, medical mystery began with a sore throat and a runny nose. It was then that Mary Kellerman, a 12-year-old girl from Elk Grove Village, a suburb of Chicago, told her mother and father about her symptoms. They gave her one extra-strength Tylenol capsule that, unbeknownst to them, was laced with the highly poisonous potassium cyanide. Mary was dead by 7 a.m. Within a week, her death would panic the entire nation. And only months later, it changed the way we purchase and consume over-the-counter medications.

That same day, a 27-year-old postal worker named Adam Janus of Arlington Heights, Illinois, died of what was initially thought to be a massive heart attack but turned out to be cyanide poisoning as well. His brother and sister-in-law, Stanley, 25, and Theresa, 19, of Lisle, Illinois, rushed to his home to console their loved ones. Both experienced throbbing headaches, a not uncommon response to a death in the family and each took a Tylenol extra-strength capsule or two from the same bottle Adam had used earlier in the day. Stanley died that very day and Theresa died two days later.

Photo by Daniel Acker/Bloomberg via Getty Images

As a result of the crime, makers of Tylenol developed new product protection methods. Photo by Daniel Acker/Bloomberg via Getty Images

Over the next few days, three more strange deaths occurred: 35-year-old Mary McFarland of Elmhurst, Illinois, 35-year-old Paula Prince of Chicago, and 27-year-old Marv Weiner of Winfield, Illinois. All of

Monopolies (2 points)

1. Define what a monopoly is and explain how they affect the consumer.

Monopolies (1 points)

1. Which of the following are monopolies?
 1. Google
 2. Walmart
 3. PNM (The company that provides gas for your home)
 4. Bank of America
 5. Webb Chevrolet and Toyota

Economic Indicators (2 points)

Underemployment: the measure of how many people are unemployed, not working full-time, have given up looking for a job, and not working in a position that fits their education.

Unemployment: the measure of how many people are unemployed.

1. Why is underemployment a better measure of the labor force than unemployment? Explain.

Economic Indicators (1 points)

One of the biggest concerns when managing the economy is inflation.

Read the following article and answer;

1. Create your own definition for inflation .

When money was literally worth less than dirt

Alex Q. Arbuckle
Retronaut

In 1914, the exchange rate of the German mark to the American dollar was about 4.2 to one. Nine years later, it was 4.2 trillion to one.

The out-of-control inflation began somewhat mildly during World War I, as the German government printed unbacked currency and borrowed money to finance military expenditures. The strategy was to eventually pay off the debts by seizing resource-rich territories and imposing reparations on the vanquished Allies.

But then Germany lost the war and ended up with massive debts and reparations to the Allies to be paid under the Treaty of Versailles.

Inflation crept up slowly at first, before accelerating rapidly in late 1922. The exchange rate ballooned from 2,000 marks per dollar to 20,000 to a million and beyond in just a few months, riding on a growing wave of economic panic and mistrust.

As the government commissioned 130 printing companies to churn out piles of increasingly worthless currency, Germans struggled to survive in increasingly absurd conditions.

Waiters had to climb on top of tables to announce new menu prices every half hour.

Workers brought wheelbarrows, sacks and suitcases to work to collect their wages. According to one story, a distracted worker found that his suitcase was stolen, with his wages dumped out and left behind.

Many chose to avoid currency altogether, placing their faith in tangible assets to barter goods.

Economic Indicators (2 points)

If you recall from class, the Consumer Price Index (CPI) is the measure of the change in the price of common household goods and expenses.

Analyze the chart for the change in prices for the month of March.

1. How do you believe the nationwide shutdowns due to COVID-19 will affect the CPI for the month of April? Explain.

Say hi to Mr.B

I was having a lot of fun with you guys learning how to be a teacher. I miss y'all. Shoot me an email at rburbank@fms.k12.nm.us and let me know how you're doing.