Chapter 4

Social Responsibility of Business and Government

4-1 Social Responsibility
4-2 Government Protection Activities
4-3 Government Regulation and Assistance
LESSON 4-1
Social Responsibility

Goals

- Describe social responsibility issues.
- Identify benefits and costs of social responsibility.
- Explain the purpose of a code of ethics.
Key Terms

- social responsibility
- non-renewable resource
- ethics
- business ethics
- code of ethics

Duty of a business to contribute to the well-being of a community.
SOCIAL RESPONSIBILITY

ISSUES

- Environmental protection
  - Conservation
  - Pollution
  - Environmental Protection Agency (EPA)

- Workplace diversity
  - Americans with Disabilities Act (ADA)
  - Age Discrimination in Employment Act

- Job safety
  - Occupational Safety and Health Administration (OSHA)

- Employee wellness

Non-renewable Resource – natural resource that can not be replaced when used up
SOCIAL RESPONSIBILITY EVALUATION

Benefits

- Expanded justice for groups of a society
- Enhanced company image
- Reduced need for government actions
- Improved quality of life in a community and around the world
- Increased awareness of social issues among workers, consumers, and others
SOCIAL RESPONSIBILITY EVALUATION (continued)

- Costs
  - New nonpolluting or safer equipment
  - Building repairs to remove risks
  - Wellness and rehabilitation programs
  - Social projects sponsored by a company
BUSINESS ETHICS

- Code of ethics
- Ethical conduct guidelines
  - Is the action legal?
  - Does the action violate professional or company standards?
  - Who is affected by the action and how?
Today’s Activities

- Create a Code of Ethics for a Profession
- Ethical Guidelines Activity
LEsson 4-2

Government Protection Activities

Goals

- Identify the roles and levels of government.
- Explain government protection activities.
- Describe types of intellectual property.
Key Terms

- contract
- patent
- copyright
- trademark
GOVERNMENT IN SOCIETY (continued)

- Roles of government
  - Providing services for members of society
  - Protecting citizens, consumers, businesses, and workers
  - Regulating utilities and promoting competition
  - Providing information and support to businesses
  - Buying goods and services
  - Hiring public employees
  - Raising revenue
GOVERNMENT IN SOCIETY

(continued)

Levels of government
- Federal government
- State government
- Local government
FEDERAL GOVERNMENT

- Oversees the activities that involve two or more states or other countries.
- Regulates foreign and interstate commerce
STATE GOVERNMENTS

- Regulate business actions within their own borders (*Intrastate commerce*)
- Assign some of their legislative power to local governments
LOCAL GOVERNMENTS

- Include county boards and city or town councils
- Provide services needed for an orderly society, such as police and fire protection
GOVERNMENT PROTECTION ACTIVITIES

- Worker protection
- Contract enforcement
  - Agreement
  - Competent Parties
  - Consideration
  - Legality

Contract – an agreement to exchange goods & services for something of value, usually money
Agreement

- An offer must be made, and an acceptance must occur
Competent Parties

- Those entering into the contract must be of legal age and must be mentally competent
Consideration

Something of measurable value must be exchanged by the parties involved.
Legality

- The contract must be for a product or service that may be legally sold; also, no fraud or deception exists in the agreement.
PROTECTION OF INTELLECTUAL PROPERTY

- Patents
  - Gives inventor sole right to make, use or sell item for 17 years

- Copyrights
  - Protects the creative work of authors, composers, and artists; lasts for life of person + 50 years

- Trademarks
  - Word, letter, or symbol linked with a specific company or product
GOVERNMENT REGULATION AND ASSISTANCE

GOALS

- Explain actions by government to regulate business.
- Discuss efforts of government to assist businesses.
- Identify methods used by government to raise money.
Key Terms

- public utility
- monopoly
- antitrust laws
- revenue
REGULATORY ACTIVITIES

- Regulation of utilities
  - Public Utility: an organization that supplies a service or product vital to all people.

- Prevent unfair business practices
Preventing Unfair Business Practices

- Monopoly: a business that has control of the market for a particular product or service.
  

- Antitrust laws: Prevents unfair business practices such as false advertising, deceptive pricing, and misleading labeling.

  https://www.youtube.com/watch?v=9CkLoovIFp8
CHECKPOINT

Why does government regulate utilities?
GOVERNMENT ASSISTS BUSINESS

- Government buys goods and services
- Government employs workers
How does government assist business?
GOVERNMENT RAISES MONEY

- Taxes
- Borrowing
  - Purchasing Bonds
    - Individuals, businesses, banks
CHECKPOINT

What is the difference between tax revenue and borrowing by government?