

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

Ethics – Principles of morality or rules of conduct

Business Ethics – Rules about how businesses and their employees ought to behave

- 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

LESSON 4-3

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.

<http://247wallst.com/investing/2011/03/22/the-new-generation-of-american-monopolies/2/>

- 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

>> CHECKPOINT

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?