

# Example of essay on given

[Business](#), [Marketing](#)



1. The relationship between free markets and the liberties promoted and protected by America's republican form of government

A free market economy is that which allows for the determination of the market prices of goods and services without the interference of the government or government agencies. It minimizes competition for businesses as they have the liberty to set their own prices: Prices of products or services in the market to a greater extent determine the demand for the particular product or service. Producers can therefore easily channel their resources towards achieving maximum satisfaction of the consumer needs. They can also make as much profit as they want. The free market economy allows the producers to set the prices of their products in order to attract more customers to purchase their commodities (Bockman 21).

In his interview, Friedman Milton argues that free enterprise is the most effective market for a developed world. People should be left to take part in the economic process freely so that they determine the productivity of the state's industry (Friedman).

This type of economy ensures that democracy is upheld in the market place; citizens are have the liberty to chose the type of business they wish to operate in, the products they want to sell or buy and to set their own standards with no government interference. A free market economy as per the American context is achieved by letting the producers and buyers engage in businesses of their choice without dictating the type of the resources to be used, or where the resources should come from. The federal government only ensures that the industry owners or their employees engage in legal businesses (Wydeven 594).

## 2. Federal and state government regulation necessary to ensure the safe and ethical conduct of business

Consumer protection is a very necessary practice in order to ensure a free and fair market economy. It is important to promote safe practices among business owners and among the consumers to realize productivity in the American industry and other markets in the world.

In his argument about the exportation and importation in a free market economy, Smith says that it is advantageous for a country's government to put forth restrictions in form of duties charged in goods imported or exported into the country. He says that this encourages more of the country's products to be transported to other countries hence opening the country to more markets (Wydeven 585).

The America's republican form of government safeguards the liberties of its people: it provides for a democratic state when people are free to engage in economic activities. It gives them the freedom of content: The liberties stipulate that individuals are free to engage in activities that can enhance the American industries. However there are restrictions that the government places on certain activities that it feels should not be left in the hands of private individuals (Wydeven 583).

The government therefore protects the interests of the public as opposed to individual interests since most individuals operate with the main aim of profit maximization. In enhancing a free market economy, the government places restrictions on the activities of producers so that every citizen has equal rights to participate in the market without his or her interests being interfered with. The federal government monitors the activities of the

industry owners and their workforce to ensure that no individual(s) engage in activities that are illegal or that harm other people. It however does not dictate the sources of revenue or resources for the industries. Smith argues that in the process of an individual realizing his ambitions, he achieves the ambitions of the entire society (Wydeven 585).

The workers in a business organization should also be protected to ensure that their rights are observed and that maximum productivity is achieved, Marx and Engel states that the workers should be properly compensated for the work they do. The wages should be inline with the total productivity of the worker to ensure satisfaction among the working class. (Wydeven 594)

The socialists argue that in a free market economy, the workers should be allowed to form co-operations to fight for their rights and to ensure that both the producers and their workforce exist in a mutually beneficial environment (Freeman).

3. Level of regulation where the market begins to suffer and Under-perform  
Adam Smith was opposed to the idea of government involvement in any form of economy. He argues that government interference in the economy of a country will only yield to poor productivity and economic activities. In his arguments, Smith posits that prices would be very high if the government is left to engage in the economic process. Strategies like the imposition of tariffs on the citizens of a nation lead to increased prices in the long run. The government should therefore desist from engaging in the economic process (Wydeven 585).

Govern regulations in the import and export sector may also leads to underperformance of businesses. Imposing large amounts of income tax on

imported goods discourages diversity in the market place: the country will in turn receive less of the non-available goods hence causing a backward development in the industry. Raw materials that are needed for the manufacturing or products will not be important into the country due to tough restrictions and import duties. On the other hand, allowing very low import duties will only see the country underdeveloped in terms of the local industries. Less of the local goods will be purchased while more people will be willing to import the cheaply manufactured products from other countries (Bockman 21).

#### 4. Government's help to Businesses experiencing financial crisis

With the tough economic situation, the government should bail out the businesses experiencing financial problems that could lead them into bankruptcy and insolvency. This should however apply to businesses that offer services and or products that are in human interests. Companies offering basic commodities to the American Citizens should be helped in order to do so. After all, the America's government struggles to offer quality services to its entire people and to serve the interests of the public.

Furthermore, bankruptcy of companies would only lead to the closure of such businesses, and in the end result to loss of employment opportunities for the general public. Every citizen has a right to employment. By helping these businesses, the government will be doing justice to the people who have fought so hard to stay employed. An example is the financial crisis that faced most banks in America. Government's bail out prevented the problem from escalating to the entire banking system in America (Moseley: The U. S. economic crisis: Causes and solutions).

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