Teacher Answer Key

Case Study

1. Windows shipped with Internet Explorer already on it, so most users never went looking for anything else. Rival browser makers like Netscape could not match that built-in head start.

2. The Justice Department, along with 20 states, sued Microsoft in 1998 for violating the Sherman Antitrust Act. Microsoft ended up settling and had to change how it did business, including letting computer makers install other companies software.

Multiple Choice

1. D

2. B

3. A

Matching

1-D, 2-C, 3-E, 4-A, 5-B

Fill-in-the-Blank

1) 1890, monopolies, 2) reduce, 3) fix

Short Answer (Sample Responses)

Q1: Anti-trust laws prevent monopolies and price-fixing, ensuring that businesses compete fairly, which helps consumers by keeping prices lower and product quality higher.

Q2: The FTC reviews mergers and acquisitions, investigates unfair business practices, and enforces regulations to maintain competition in the marketplace.

Q3: The Microsoft case showed that large companies must avoid using their market power to harm competition, leading to changes in how Microsoft operated to allow for greater competition.