



Exchange Rates now controlled by the ECB

Interest rates refer to the cost of borrowing money. It affects how much it will cost entrepreneurs to borrow money to start up a business and existing businesses to borrow money to expand. As a result of the introduction of the Euro, control over exchange rates has now passed from national governments and central banks to the European Central Bank (ECB). The **European Central Bank** sets the basic interest rate that must be followed by countries within the Eurozone. Whatever rate it sets, banks and other financial institutions in the Republic of Ireland use that rate to determine what interest rate they will charge customers on the loans and deposit accounts.

Summary – fill in the gaps

The national government, elected by the Dáil, plays a central role in managing the national economy. Government spending on infrastructure and public services such as roads, education, healthcare, Gardaí, water supplies, sewerage systems and parks has a major effect on the level of economic activity and employment in the economy.

Government _____ is needed to raise the money to pay for government services. Taxes are mainly levied on income (e.g. Income tax), spending (e.g. VAT) and profits (e.g. Corporation tax).

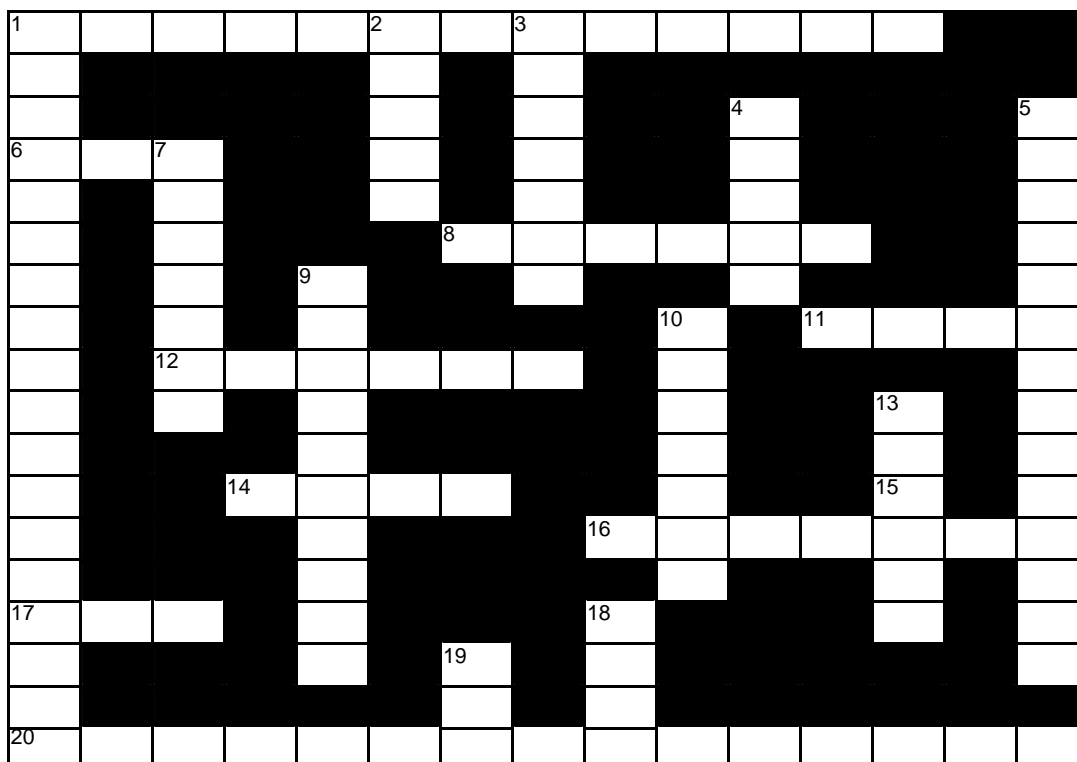
Government regulations and laws are intended to protect the interests of different groups in society, such as preventing unfair competition or protecting the natural environment.

In recent years there has been a trend towards the _____ of state-owned commercial businesses. This is based on the argument that governments should concentrate on the regulation of business and let the _____ sector concentrate on the provision of goods and services.

Score: _____ out of 3



Crossword 21 - Government and Business



CLUES

Across

1. The selling of a commercial 17 across to buyers in the private sector (13)
6. This sets out how much will be invested by the Government in the country's infrastructure between 2000 and 2006 (3)
8. The Government's financial plan for the year (6)
11. The opposite of profit (4)
12. This is a product of the forestry industry / sector (6)
14. A ____-market economy encourages business enterprise (4)
16. When Government expenditure exceeds revenue (7)
17. This type of organisation is established by the government for various purposes (3)
20. The opposite of 1 across and what happened to the Irish Sugar Company (15)

Down

1. This is required from a local authority before a building can be built (8, 10)
2. Compulsory payments of money to the State (5)
3. When the Government is spending less than its income (7)
4. Ireland has this kind of economy (5)
5. This word describes road, rail, sea and air links as well as telecommunications (14)
7. This sector includes all economic activities not included in the public sector (7)
9. RTE is this type of 17 across (10)
10. Cuba and Zimbabwe have this type of economy (7)
13. _____ policy refers to the Government's approach to raising and spending money (6)
18. Initials of the body set up by the advertising industry to ensure that advertisements are socially acceptable (4)
19. Initials of a report describing how a proposed business will affect the ecology of an area (3)