**Chapter 3**

**Is Monopoly a Justification for Government Regulation?**

Governments often seek to regulate monopolies to promote competition, but Professor Lynne Kiesling argues that such regulations are not always effective.

*Use with:* <https://www.youtube.com/watch?v=fujeSSEqj74> (3:44)

1. What is the argument for government regulation of monopolies or other large firms?
2. How does the free market provide a check on a monopoly’s abuse of power?
3. How does government regulation affect innovation?
4. Should government regulate firms on the basis of their size or market power? Why or why not?