Review Quiz

1. What is the difference between regulations and laws?
   A. There is no difference
   B. Regulations are made by the executive branch, and laws are made by the legislative branch
   C. Regulations are not as strong or important as laws
   D. Regulations are only for businesses and not individuals

2. Who delegates authority to make regulations?
   A. The Legislature
   B. The President
   C. The Supreme Court
   D. Corporations

3. What is another name for the body that makes regulations?
   A. Senate
   B. Judiciary
   C. Bureaucracy
   D. Media

4. The only regulation debate in America is how much or how little regulation should exist.
   A. True
   B. False

5. One style of regulation is:
   A. Preventative regulation
   B. Passive regulation
   C. Peer regulation
   D. Prescriptive regulation
6. What does “performance regulation” mean?

A. Things should be doing according to a defined process
B. Things should be done in the best way possible no matter the cost
C. Things should be done to achieve a desired goal
D. Things should be done in order to make the most money

7. What is one negative consequence of prescriptive regulation?

A. It might limit innovation
B. It might cause people to cut corners
C. It might lead to different standards for different people
D. It might leave businesses unregulated

8. What is one negative consequence of performance regulation?

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9. If regulators focus on performance, businesses and innovators will not be regulated anymore.

A. True, they would no longer have oversight checking that their products are safe
B. True, performance cannot be defined or reviewed for safety
C. False, they would be regulated more strictly and receive more attention because the process is not standardized
D. False, they would still be regulated, but under a different standard based on the final outcome rather than process or procedure

10. Which method of regulation leads to the most predictable and consistent outcomes?

A. Performance regulation
B. Prescriptive regulation

Answers on next page.
Answer Key

1. (B)
2. (A)
3. (C)
4. (B)
5. (D)
6. (C)
7. (A)
8. (B)
9. (D)
10. (B)