

## M2 Public Economic Law

*Activity One* : What is the main difference between these words :

- Contract *vs.* Agreement
- Arbitration *vs.* Litigation
- Tax *vs.* Duty

*Activity Two*: Fill-in-the-Blank Exercise

1. Public institutions are controlled by the \_\_\_\_\_.
2. \_\_\_\_\_ institutions aim to make profit.
3. The World Bank is an example of an \_\_\_\_\_ institution.
4. Public institutions must follow special \_\_\_\_\_ from the government.
5. Privatization is when a public institution becomes \_\_\_\_\_.

*Activity Three*: Match the Terms with Definitions

- |                                 |  |
|---------------------------------|--|
| 1. <b>Public institution</b> -  | (a) A company owned by private individuals                   |
| 2. <b>Private institution</b> - | (b) An organization controlled by the government             |
| 3. <b>Governance</b> -          | (c) Rules and processes for managing an organization         |
| 4. <b>Privatization</b> -       | (d) The transfer of public institutions to private ownership |

*Activity Four*: Determine whether the following statements are true or false by writing “True” or “False” next to each sentence:

1. Public institutions are controlled by individuals
2. Privatization means making a public institution private.
3. The state has no role in public institutions.
4. Governance means managing institutions with rules
5. The World Trade Organization (WTO) is a local institution.

## Answers

### Activity One :

#### Contract vs. Agreement

An Agreement	A Contract
-is a mutual understanding between two or more parties.	-is a legally binding agreement that is enforceable by law.
-it may/may not be legally enforceable	-it creates legal rights and obligations.
- not all agreements are contracts (only those that fulfil legal requirement like offer..)	-all contracts are agreements.
-it can be informal and verbal	- it is formal and requires legal formalities

#### Arbitration vs. Litigation

**Arbitration:** is a private dispute resolution process where parties agree to have their case decided by an independent arbitrator(s), it is faster, and flexible but has limited appeal rights.

**Litigation:** is a formal legal process where disputes are resolved in a court of law, it is public and allows appeals but can be lengthy and costly.

#### Tax vs. Duty

Tax	Duty
-A financial charge imposed by the government on individuals, businesses, or transactions to fund public services.	-A specific type of tax imposed on goods imported or exported
-Applies to income, property, sales or services.	-Applies mainly to goods
-to generate revenue for public services like healthcare.	-To regulate trade, protect domestic industries, or discourage specific imports/exports.

### Activity Two:

1. Public institutions are controlled by the **state**.
2. **Private** institutions aim to make profit.
3. The World Bank is an example of an **international** institution.
4. Public institutions must follow special **regulations** from the government.
5. Privatization is when a public institution becomes **private**.

***Activity Three:***

1. (b) ; 2. (a) ; 3. (c) ; 4. (d)

***Activity Four:***

1. Public institutions are controlled by individuals (False)
2. Privatization means making a public institution private. (True)
3. The state has no role in public institutions. (False)
4. Governance means managing institutions with rules (True)
5. The World Trade Organization (WTO) is a local institution (False)