

**Assignment**

Arguments of government intervention in free market economy

**Solution**

Government interventions are regulatory actions taken by a government in order to affect or interfere with decisions made by individuals, groups, or organizations regarding social and economic matters.

The main reasons for government intervention are:

- To correct for market failure
- To achieve a more equitable distribution of income and wealth
- To improve the performance of the economy

Although free market economies are mostly based on the free choices of the buyers and consumers, and the other reason government intervention is needed is to prevent the creation of monopolies.