

1. Award: 10.00 points

Public finance

- is not like public economics.
- develops principles for understanding the government's taxing and spending activities.
- only works for local and provincial governments.
- all of these answer options are correct.

References

Multiple Choice Difficulty: Easy

2. Award: 10.00 points

Key areas of provincial responsibility include

- welfare.
- education.
- health.
- all of these answers are correct.

References

Multiple Choice Difficulty: Easy

3.

Award: 10.00 points

_____ are exclusively the domain of provincial and local governments, and the federal government does not receive any revenue from this source.

- Personal income taxes
- Property taxes
- Sales taxes
- Payroll taxes

References

Multiple Choice Difficulty: Easy

4.

Award: 10.00 points

In 2009, provincial and local governments received the largest amount of revenue from

- personal income taxes.
- property taxes.
- sales taxes.
- payroll taxes.

References

Multiple Choice Difficulty: Easy

5.

Award: 10.00 points

In 2009, the federal government received most of its revenue from

- personal income taxes.
- property taxes.
- sales taxes.
- payroll taxes.

References

Multiple Choice Difficulty: Easy

6.

Award: 10.00 points

The federal government accounts for _____ of government spending at all levels.

- most
- one-third
- half
- two-thirds

References

Multiple Choice Difficulty: Easy

7.

Award: 10.00 points

At the end of fiscal year 2014, the federal government's net public debt was around

- \$682 thousand.
- \$682 million.
- \$682 billion.
- \$682 trillion.

References

Multiple Choice Difficulty: Easy

8.

Award: 10.00 points

Complications in the computation of government expenditures arise because

- government is so large.
- government provides goods that have no resale value.
- secrets are kept about what is spent.
- accounting decisions affect the outcome.

References

Multiple Choice Difficulty: Moderate

9.

Award: 10.00 points

In evaluating changes in the growth of government, economists take into account

- population growth.
- size of the economy.
- inflation.
- all of these answers are correct.

References

Multiple Choice Difficulty: Easy

10.

Award: 10.00 points

If the size of government triples but at the same time the economy doubles, then the relative size of government has

- shrunk.
- grown.
- remained constant.
- no relevance.

References

Multiple Choice Difficulty: Moderate

11.

Award: 10.00 points

In 2009, _____ represented the largest portion of total government (all levels of government) spending

- health
- education
- social services
- protections of persons and property

References

Multiple Choice Difficulty: Easy

12.

Award: 10.00 points

Education is

- generally financed at the provincial and local level.
- too expensive for the federal government.
- generally financed at the federal level.
- financed on a voluntary basis.

References

Multiple Choice Difficulty: Easy

13.

Award: 10.00 points

Ideology is by itself _____ to determine whether any particular economic intervention should be undertaken.

- sufficient
- insufficient
- irrelevant
- all that is needed

References

Multiple Choice Difficulty: Easy

14.

Award: 10.00 points

Over time, the economic role of government has

- declined significantly.
- remained constant.
- grown tremendously.
- been too small to matter.

References

Multiple Choice Difficulty: Easy

15.

Award: 10.00 points

The federal budget is presented _____ outlining anticipated changes in tax and spending.

- several times throughout the year
- each year
- every 4 years with the election of a new government
- every time there is a tax change

References

Multiple Choice Difficulty: Easy

16.

Award: 10.00 points

Hidden costs to government include

- direct expenditures.
- tax expenditures.
- accounting costs.
- none of these answers is correct.

References

Multiple Choice Difficulty: Easy

17.

Award: 10.00 points

Health care has become an increasingly large portion of total government spending, due in part to an aging population.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

18.

Award: 10.00 points

A very small portion of government expenditures is financed by taxes.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

19.

Award: 10.00 points

In 2009, federal spending on protection of persons and property (which includes national defence) was larger than federal spending on health.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

20. Award: 10.00 points

Government bills to tax and to spend must originate in the Senate.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

21. Award: 10.00 points

The federal government is required to finance all its expenditures by taxation.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

22. Award: 10.00 points

The provincial role in public finance in Canada has grown significantly relative to that of the federal government.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

23. Award: 10.00 points

The Constitution Act has provisions for local governments' taxing and spending powers.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

24. Award: 10.00 points

One approach to measure the size of government is the volume of its annual expenditures.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

25. Award: 10.00 points

Expenditures, as a percentage of GDP for Canada, are not very different from those of other developed countries.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

26. Award: 10.00 points

Property taxes are a major financing tool at the provincial and local government level.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

27. Award: 10.00 points

About 25 percent of federal spending are transfers to provincial, territorial, and local governments.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

28. Award: 10.00 points

Inflation increases the real value of debt.

- True
- False
- Uncertain

References

Multiple Choice Difficulty: Easy

29. Award: 10.00 points

Write an essay discussing some of the reasons that government expenditures for health care are increasing.

Government expenditures for health care have increased since 1965 for several reasons, including an aging population, rising costs of health care, and a publicly provided health care system.

References

Short Answer Difficulty: Moderate

30. Award: 10.00 points

Do you think it is correct policy that the federal government is not required to finance all of its expenditures with tax revenues and is allowed to borrow? What are the implications of this policy?

Answers will vary, but financing out of current spending ensures that there are no deficits at the end of the fiscal year. However, in times of crisis, such as war, this type of financing would limit the government's ability to accomplish its stated goals.

References

Short Answer Difficulty: Difficult

31.

Award: 10.00 points

Why do/should we care that total government expenditures are becoming an increasingly smaller portion of GDP?

We should care that government expenditures are becoming an increasingly smaller portion of GDP because it may reflect a decline in the effectiveness and impact of government programs.

References

Short Answer Difficulty: Difficult

32.

Award: 10.00 points

Discuss your views on government intervention regarding tobacco consumption.

As with many social issues, tobacco consumption will not only impact the health of the population but the ability of people to work and be productive members of society. Some will argue that this is a private issue, and the government has no role in regulating how people treat their own bodies. Others will counter that the impacts are not just to the consumer but to third parties also.

References

Short Answer Difficulty: Difficult