Government and the Canadian Economy — Practice Test

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button to let Brett know so he can fix it.

1 **Which term matches this description: government spending and tax choices?**

- A fiscal policy
- B central bank control of money
- C the central bank of Canada
- D the cost of borrowing money

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2 **What is the main meaning of monetary policy?**



A Bank of Canada

B central bank control of money

C interest rate

D inflation

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3 **Which term matches this description: the central bank of this country?**



A the cost of borrowing money

B general rise in prices

C Bank of Canada

D money collected by government

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4 **What is the main meaning of interest rate?**



A inflation

B taxes

C public spending

D the cost of borrowing money

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5 **Which term matches this description: general rise in prices?**



A inflation

B money collected by government

C government money spent on services

D spending above revenue in a year

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6 **What is the main meaning of taxes?**

A public spending

B money collected by government

C deficit

D budget surplus

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7 **Which term matches this description: government money spent on services?**

A spending above revenue in a year

B revenue above spending in a year

C public spending

D total owed by government

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8 **What is the main meaning of deficit?**

A budget surplus

B national debt

C transfer payments

D spending above revenue in a year

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9 **Which term matches this description: revenue above spending in a year?**

A budget surplus

B total owed by government

C government payments to people or provinces

D total value of goods and services produced

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10 **What is the main meaning of national debt?**

- A transfer payments
- B total owed by government
- C GDP
- D recession

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11 **Which term matches this description: government payments to people or provinces?**

- A total value of goods and services produced
- B a period of falling economic activity
- C transfer payments
- D a plan for revenue and spending

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12 **What is the main meaning of GDP?**

- A recession
- B budget
- C Crown corporation
- D total value of goods and services produced

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13 **Which term matches this description: a period of falling economic activity?**

- A recession
- B a plan for revenue and spending
- C a company owned by government
- D rules controlling business activity

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14 **What is the main meaning of budget?**

A Crown corporation

B a plan for revenue and spending

C regulation

D public goods

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15 **The Bank of Canada raises rates to slow price rises. What policy is this?**



A Monetary policy controlling money

B Fiscal policy

C Equalization

D A budget

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16 **A government spends more than it collects in a year. What results?**

- A A budget surplus
- B A deficit with spending above revenue
- C A recession
- D A public good

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17 **Federal money helps a poorer province fund services. What is this?**

- A A sales tax
- B A Crown corporation
- C Equalization payments to poorer provinces
- D A regulation

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18 **Prices rise generally over a year, so money buys less. What is this?**

A A recession

B A deficit

C A budget surplus

D Inflation as a general rise in prices

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19 **A government owned company delivers mail across Canada. What is it?**



A A Crown corporation owned by government

B A private sector firm

C A public good

D A transfer payment

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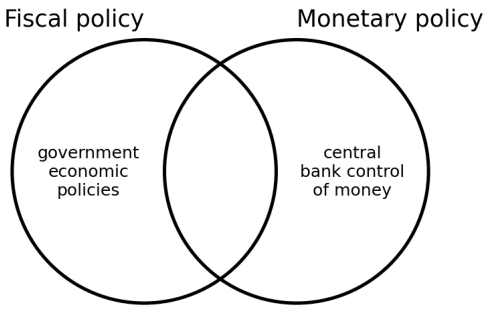
20 **In the diagram, which idea belongs in the overlapping middle region shared by both forms?**



A government economic policies

B central bank control of money

C spending and tax choices

D listed steps in the order to follow

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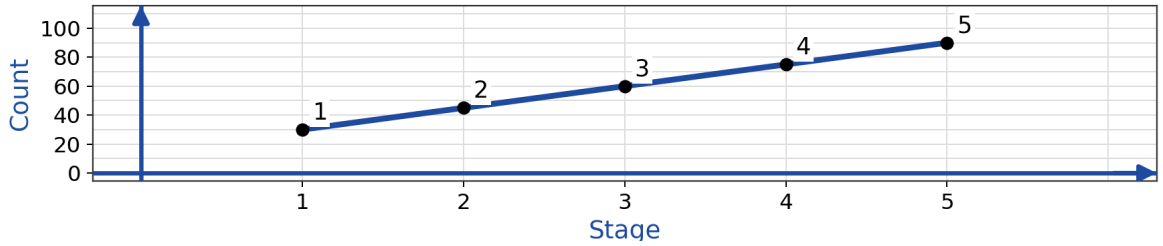
21 **The diagram shows federal infrastructure projects over five years. What does the diagram show?**



A the number of federal infrastructure projects fell over the five years

B the number of federal infrastructure projects rose over the five years

C the number of federal infrastructure projects stayed the same every year

D the number of federal infrastructure projects rose then fell to zero

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22 **A display holds 420 tax returns and a second display holds 310 tax returns. The total number of tax returns is**

ANSWER _____

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23 **A collection has 1800 budget dollars. After 750 budget dollars are removed, the number of budget dollars left is**

ANSWER _____

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24 **960 funding grants are shared equally among 12 groups. Each group receives**

ANSWER _____

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25 **A project uses 16 groups with 35 service centres in each group. The total number of service centres is**

ANSWER _____

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ANSWER KEY

1. A
2. B
3. C
4. D
5. A
6. B
7. C
8. D
9. A
10. B
11. C
12. D
13. A
14. B
15. A
16. B
17. C
18. D
19. A
20. C
21. B
22. 730
23. 1050
24. 80
25. 560

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