NOVA SCOTIA ECONOMICS 11 · UNIT D

Government, Taxation and Crown Corporations — Practice Test

Nova Scotia Economics 11 • 10 questions

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 **A reason governments privatize is the belief that private firms may operate more**

- A secretly
- B slowly
- C efficiently
- D fairly in all cases

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2 **Regulation is government control over business activity, such as rules for**

A product prices for all goods

B private wages for all jobs

C advertising slogans only

D food safety

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3 **Antitrust or competition law aims to prevent firms from abusing**

A market power

B advertising

C hiring

D exports

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4 **Public goods may be underprovided by private markets because firms cannot easily**

A make a profit ever

B charge everyone who benefits

C hire workers

D advertise

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5 **Government borrowing is done by selling bonds, which are promises to repay with**

A goods

B services

C interest

D shares

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6 **A bondholder lends money to a government or company and receives regular**

A dividends only

B wages

C tax refunds

D interest payments

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7 **Which of the following is subject to the GST in Canada?**

A most goods and services sold in Canada

B income only

C property only

D imports only

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8 **Tax credits reduce the amount of tax owed, for example a credit for**

- A luxury purchases
- B charitable donations
- C foreign travel
- D savings accounts only

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9 **A government budget is debated and approved by**

- A banks
- B courts
- C the legislature
- D the central bank

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10 **Accountability for government spending is checked by auditors and by**

A private secrecy

B foreign observers only

C media bans

D public reporting

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ANSWER KEY

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

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