NOVA SCOTIA ECONOMICS 11 · UNIT D

Government, Taxation and Crown Corporations — Practice Test

Nova Scotia Economics 11 • 25 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 **The three levels of government in Canada are federal, provincial and**

A regional

B municipal

C international

D territorial only

Understand It with Pulse | Flag a mistake

2 **Government spending in Canada includes health care, education, defence and**

A private profits

B infrastructure

C bank dividends

D foreign aid only

Understand It with Pulse | Flag a mistake

3 **A public good is a good that is non-excludable and non-rival, such as**

A a concert ticket

B a restaurant meal

C national defence

D a private car

Understand It with Pulse | Flag a mistake

4 **A private good is a good that can be owned and consumed by**

- A everyone at once
- B the government only
- C no one
- D one buyer

Understand It with Pulse | Flag a mistake

5 **An externality is a side effect of an activity on people not involved, such as pollution from a**

- A factory
- B school lesson
- C private garden
- D library book

Understand It with Pulse | Flag a mistake

6 **Governments tax to raise revenue to pay for**

A private profits

B public services

C foreign companies

D personal savings

Understand It with Pulse | Flag a mistake

7 **Income tax in Canada is collected by the federal government and by**

A municipal councils only

B banks only

C provincial governments

D employers only

Understand It with Pulse | Flag a mistake

8 **The Harmonized Sales Tax charged in Nova Scotia combines the federal GST with a tax collected by the**

- A municipality
- B import office
- C property registry
- D province

Understand It with Pulse | Flag a mistake

9 **Property tax is a tax on real estate paid mainly to**

- A municipal governments
- B the federal government
- C banks
- D school boards only

Understand It with Pulse | Flag a mistake

10 **Which tax system charges a higher rate on higher incomes?**

- A A regressive tax
- B A progressive tax
- C A proportional tax
- D A flat tax

Understand It with Pulse | Flag a mistake

11 **A flat tax would charge the same rate on all income, unlike a progressive tax which charges**

- A lower rates at higher incomes
- B no tax on wages
- C higher rates at higher incomes
- D tax only on goods

Understand It with Pulse | Flag a mistake

12 **A budget deficit occurs when government spending is greater than**

A private spending

B trade exports

C bank lending

D government revenue

Understand It with Pulse | Flag a mistake

13 **A budget surplus occurs when government revenue is greater than**

A government spending

B private saving

C trade imports

D tax collection costs

Understand It with Pulse | Flag a mistake

14 **Government debt is the total amount owed from past**

A trade surpluses

B budget deficits

C private loans

D municipal taxes

Understand It with Pulse | Flag a mistake

15 **A crown corporation is a company owned by**

A private shareholders

B a foreign firm

C the government

D its workers only

Understand It with Pulse | Flag a mistake

16 **Canada Post is a crown corporation that provides**

A rail travel

B television programming

C banking for all

D postal services across Canada

Understand It with Pulse | Flag a mistake

17 **The Canadian Broadcasting Corporation, known as the CBC, is a crown corporation providing**

A public radio and television

B postal delivery

C air travel

D electricity

Understand It with Pulse | Flag a mistake

18 **Via Rail is a crown corporation that provides passenger**

A air services

B train services

C bus services only

D ferry services only

Understand It with Pulse | Flag a mistake

19 **The Bank of Canada is the central bank, responsible for monetary policy and issuing**

A passports

B tax laws

C currency

D trade deals

Understand It with Pulse | Flag a mistake

20 **Monetary policy involves influencing interest rates and the money supply, mainly through the**

A municipal council

B stock market alone

C federal budget alone

D central bank

Understand It with Pulse | Flag a mistake

21 **Fiscal policy involves government decisions about spending and**

A taxation

B interest rates alone

C exchange rates alone

D private wages

Understand It with Pulse | Flag a mistake

22 **Governments may run a deficit during a recession to support demand through spending and**

A higher interest rates

B lower taxes

C closed borders

D reduced services only

Understand It with Pulse | Flag a mistake

23 **A subsidy is government money paid to support a business or activity, such as support for**

A foreign armies

B private banks only

C farmers or cultural industries

D luxury imports

Understand It with Pulse | Flag a mistake

24 **A transfer payment is government money paid to individuals, such as pensions and**

A business loans

B export subsidies

C municipal grants only

D employment insurance benefits

Understand It with Pulse | Flag a mistake

25 **Federal transfers to provinces help fund services such as health care and**

A education

B national defence

C foreign aid

D postal delivery

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. B
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. C
16. D
17. A
18. B
19. C
20. D
21. A
22. B
23. C
24. D
25. A

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