

## Activity Sheet 1.4: Budget Basics

### PART A: OVERVIEW

1. Each level of government in Canada manages certain responsibilities and matters of concern.
  - a) Name two responsibilities at the **federal** (or national) level.
  - b) Name two responsibilities at the **provincial/territorial** level.
  - c) Name two responsibilities at the **municipal** (or local) level.
2. Explain **expenses** and **revenue** in your own words and provide examples.
3. Would you rather have a **surplus** or a **deficit**? Why?
4. Explain the terms **deficit** and **debt** and how they relate to each other.
5. Why is borrowing money necessary at times?

## **PART B: EXPENDITURES**

1. What are **transfer payments**? Provide examples.
2. What are **program expenses**? Provide examples.
3. What are **interest payments**?

## **PART C: REVENUES**

1. What are the different types of **tax revenue** collected by the federal government?
2. Who is required to pay into the fund for **Employment Insurance Premiums**? What is the purpose of Employment Insurance Premiums?
3. What are **crowd earnings**? Provide some examples.

**Reflection:** If you were Finance Minister and you realized you did not have enough revenue, which would you choose and why?

- a) Decrease your expenses
- b) Increase your revenue
- c) Borrow money and pay it back at a later date