

## Worksheet 1.3: Budget Basics

### PART ONE – BUDGET 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. Budgets involve two main categories of money or funds.
  - a) What is the term used for an amount of money that is **spent**?
  
  - b) What is the term used for an amount of money that is **earned** or **collected**?
  
3.
  - a) What is the term used to describe when there are **more revenues** than expenditures?
  
  - b) What is the term used to describe when there are **more expenditures** than revenues?
  
  - c) Explain the terms **deficit** and **debt** and how they relate to each other.

**PART TWO – THE GOVERNMENT OF CANADA’S EXPENDITURES:**

1. What are the three main areas of spending by the federal government?
  
  
  
  
  
  
  
  
  
  
  2. What are the three types of transfer payments? List the three main sub-categories for each.
    - a)
  
  
  
  
  
  
  
  
  
  
    - b)
  
  
  
  
  
  
  
  
  
  
    - d)
  
  
  
  
  
  
  
  
  
  
  3. a) What are **program expenses**?
  
  
  
  
  
  
  
  
  
  
  - b) Approximately how many **federal departments, agencies and crown corporations** are there?
  
  
  
  
  
  
  
  
  
  
  - c) Which three government departments spend the most money?
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4. Explain why the federal government must make **interest payments on the national debt**.

**PART THREE – THE GOVERNMENT OF CANADA’S REVENUES:**

1. What are the federal government’s three main sources of revenue? Which is the largest?

2. Name each type of tax revenue and provide details or examples of each.

a)

b)

c)

d)

3. a) What is the purpose of Employment Insurance Premiums?

b) Who is required to pay into the fund for Employment Insurance Premiums?

4. a) What are **crown earnings**?

b) Name three **crown corporations**.