Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_

**Chapter 14 Study Questions**

**-Economics-**

SECTION 1

1. Why do governments tax?
2. What is the difference between a progressive and regressive tax?
3. What are the four characteristics of a good tax?

SECTION 2:

1. What is a “pay as you earn” tax?
2. What is a withholding and how would it affect a student with a part time job?
3. Why is the cost of the Social Security program expected to increase in the next decades?
4. What are entitlement programs? Give examples.
5. How does discretionary spending differ from mandatory spending? Identify and give examples of each.

SECTION 3:

1. What is a balanced budget?
2. What are the main sources of state revenue? How do they differ from the main sources of local revenue?