

Quiz: Taxes and Tariffs

Question 1a of 10 (2 Taxes 232021)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the purpose of taxation?

Table with 2 columns: Choice and Feedback. Option D: To provide government revenues. Feedback: Correct! Taxation provides the government with the money it needs to do its job.

Global Incorrect Feedback
The correct answer is: To provide government revenues. Taxation provides the government with the money it needs to do its job.

Question 1b of 10 (2 Taxes 232022)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Why does the government need to collect taxes?

Table with 2 columns: Choice and Feedback. Option C: To pay for goods that won't be provided by the free market. Feedback: Correct! The government needs money to provide public goods.

Global Incorrect Feedback
The correct answer is: To pay for goods that won't be provided by the free market. The government needs money to provide public goods.

Question 1c of 10 (2 Taxes 232023)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the reasoning behind forcing people to pay taxes in a free-market economy?

Table with 2 columns: Choice and Feedback. Option D: To provide revenues for government programs needed to protect the free market. Feedback: Correct! The government needs money to ensure competition, protect consumers, and provide public goods.

Global Incorrect Feedback
The correct answer is: To provide revenues for government programs needed to protect the free market. The government needs money to ensure competition, protect consumers, and provide public goods.

Question 2a of 10 (2 Taxes 232024)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of these is an example of a payroll tax?

Table with 2 columns: Choice and Feedback. Option B: Social Security tax. Feedback: Correct! The Social Security tax pays for one specific social program.

Global Incorrect Feedback
The correct answer is: Social Security tax. The Social Security tax pays for one specific social program.

Question 2b of 10 (2 Taxes 232025)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of these is an example of a tax on consumption?

Table with 2 columns: Choice and Feedback. Option A: Cigarette tax. Feedback: Correct! Whenever a specific product is taxed, that's a tax on consumption.

Global Incorrect Feedback
The correct answer is: Cigarette tax. Whenever a specific product is taxed, that's a tax on consumption.

Question 2c of 10 (2 Taxes 232026)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of these is an example of a tax on wealth?

Table with 2 columns: Choice and Feedback. Option B: Real estate tax. Feedback: Correct! Whenever property is taxed, that's a tax on wealth.

Global Incorrect Feedback
The correct answer is: Real estate tax. Whenever property is taxed, that's a tax on wealth.

Question 3a of 10 (1 Taxes 232027)

Maximum Attempts: 1
Question Type: Ordering
Maximum Score: 2

Question: Put the items below into the correct order to show the process by which individuals have their federal income tax collected.

- 1. Paycheck withholding
2. Tax return filing
3. Tax payment or refund

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: 1. Paycheck withholding, 2. Tax return filing, 3. Tax payment or refund.

Question 3b of 10 (1 Taxes 232028)

Maximum Attempts: 1
Question Type: Ordering
Maximum Score: 2

Question: Put the steps into the correct order to show the process by which individuals have their federal income tax collected.

- 1. The employer withholds estimated taxes.
2. The taxpayer files a tax return.
3. The government receives a tax payment or gives a tax refund.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: 1. The employer withholds estimated taxes, 2. The taxpayer files a tax return, 3. The government receives a tax payment or gives a tax refund.

Question 3c of 10 (1 Taxes 232029)

Maximum Attempts: 1
Question Type: Ordering
Maximum Score: 2

Question: Put the steps into the correct order that all individuals pay their federal income tax.

- 1. Estimated tax withheld from the paycheck.
2. Tax return filed with the IRS.
3. Tax payment made or tax refund received.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: 1. Estimated tax withheld from the paycheck, 2. Tax return filed with the IRS, 3. Tax payment made or tax refund received.

Question 4a of 10 (2 Taxes 232030)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: How are payroll taxes different from government activities taxes?

Table with 2 columns: Choice and Feedback. Option D: They pay for specific social programs rather than general government activities. Feedback: Correct! Payroll taxes are targeted to support specific government activities such as the Social Security program.

Global Incorrect Feedback
The correct answer is: They pay for specific social programs rather than general government activities. Payroll taxes are targeted to support specific government activities such as the Social Security program.

Question 4b of 10 (2 Taxes 232031)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the difference between an income tax and a payroll tax?

Table with 2 columns: Choice and Feedback. Option A: Income taxes are used for a wide variety of government activities while payroll taxes pay for specific programs. Feedback: Correct! Payroll taxes are used to support specific government activities, such as the Social Security program, while income taxes are used to support the government in general.

Global Incorrect Feedback
The correct answer is: Income taxes are used for a wide variety of government activities while payroll taxes pay for specific programs. Payroll taxes are used to support specific government activities, such as the Social Security program, while income taxes are used to support the government in general.

Question 4c of 10 (2 Taxes 232032)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the purpose of payroll taxes?

Table with 2 columns: Choice and Feedback. Option B: To pay for specific social programs. Feedback: Correct! Payroll taxes are targeted to support specific government activities such as the Social Security program.

Global Incorrect Feedback
The correct answer is: To pay for specific social programs. Payroll taxes are targeted to support specific government activities such as the Social Security program.

Question 5a of 10 (3 Taxes 232033)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Match each type of tax with an example of its use.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Sales tax matches 10% tax charged on each gallon of gas.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Sales tax: 10% charged on purchases of luxury goods; Excise tax: 20% charged on each pack of cigarettes; Property tax: 0.5% charged on the value of a home.

Question 5b of 10 (3 Taxes 232034)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Match each type of tax with an example of its use.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Property tax matches 1% charged on the value of a home.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Property tax: 1% charged on the value of a home; Personal income tax: 20% charged on wages earned; Capital gains tax: 2% charged on profits from selling a house.

Question 5c of 10 (3 Taxes 232035)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Match each type of tax with an example of its use.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Sales tax matches 8% charged on purchases of luxury goods.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Sales tax: 8% charged on purchases of luxury goods; Excise tax: 20% tax charged on each pack of cigarettes; Capital gains tax: 15% charged on profits from selling commodities.

Question 6a of 10 (2 Taxes 232036)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is a progressive tax?

Table with 2 columns: Choice and Feedback. Option C: A tax that charges more for higher incomes. Feedback: Correct! Progressive taxation is based on the ability-to-pay principle, so more taxes are charged to those with greater incomes.

Global Incorrect Feedback
The correct answer is: A tax that charges more for higher incomes. Progressive taxation is based on the ability-to-pay principle, so more taxes are charged to those with greater incomes.

Question 6b of 10 (2 Taxes 232037)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the principle that justifies a regressive tax?

Table with 2 columns: Choice and Feedback. Option B: The benefits-received principle. Feedback: Correct! Regressive taxation takes a larger percentage from the income of low-income people because these are the people who use most of the government services.

Global Incorrect Feedback
The correct answer is: The benefits-received principle. Regressive taxation takes a larger percentage from the income of low-income people because these are the people who use most of the government services.

Question 6c of 10 (2 Taxes 232038)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What's the purpose of income tax brackets?

Table with 2 columns: Choice and Feedback. Option A: To enable the progressive taxation of income. Feedback: Correct! Progressive taxation requires taking a larger percentage from the income of high-income people as a method of correlating income levels and taxation percentages.

Global Incorrect Feedback
The correct answer is: To enable the progressive taxation of income. Progressive taxation requires taking a larger percentage from the income of high-income people as a method of correlating income levels and taxation percentages.

Question 7a of 10 (3 Tariffs 232039)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of the following does not increase the price of certain goods?

Table with 2 columns: Choice and Feedback. Option D: Property taxes. Feedback: Correct! Property taxes are charged on the value of property owned, not on the purchase of property.

Global Incorrect Feedback
The correct answer is: Property taxes. Property taxes are charged on the value of property owned, not on the purchase of property.

Question 7b of 10 (3 Tariffs 232040)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which of these increases the price of certain foreign-made goods?

Table with 2 columns: Choice and Feedback. Option A: An import tariff. Feedback: Correct! Tariffs are charged on imported goods, and the cost of the tariff is passed on to the consumer in the form of higher prices.

Global Incorrect Feedback
The correct answer is: An import tariff. Tariffs are charged on imported goods, and the cost of the tariff is passed on to the consumer in the form of higher prices.

Question 7c of 10 (3 Tariffs 232041)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the effect of an import tariff charged on a particular good?

Table with 2 columns: Choice and Feedback. Option C: The price paid by consumers is increased. Feedback: Correct! Tariffs are charged on imported goods, and the cost of the tariff is passed on to the consumer in the form of higher prices.

Global Incorrect Feedback
The correct answer is: The price paid by consumers is increased. Tariffs are charged on imported goods, and the cost of the tariff is passed on to the consumer in the form of higher prices.

Question 8a of 10 (2 Tariffs 232042)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each type of tariff with its purpose.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Revenue tariff matches Earn money for the government.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Revenue tariff: Earn money for the government; Protective tariff: Help domestic producers; Retaliatory tariff: Engage in a trade war.

Question 8b of 10 (2 Tariffs 232043)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each type of tariff with an example of its use.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Revenue tariff matches A 6% tariff on oranges to provide money for the government.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Revenue tariff: A 6% tariff on oranges to provide money for the government; Protective tariff: A 50% tariff on oranges to shield domestic orange growers from international competition; Retaliatory tariff: A 200% tariff on oranges to reply to a high tariff imposed by another country.

Question 8c of 10 (2 Tariffs 232044)

Maximum Attempts: 1
Question Type: Matching
Maximum Score: 2

Question: Match each type of tariff with an example of its use.

Table with 3 columns: Choice Text, Correct Match, Match Text. A. Revenue tariff matches A 50% tariff on sugar to keep domestic sugar producers in business.

Table with 2 columns: Choice and Feedback. Feedback: Correct!

Global Incorrect Feedback
The correct answer is: Revenue tariff: A 5% tariff on sugar to generate public revenue; Protective tariff: A 50% tariff on sugar to keep domestic sugar producers in business; Retaliatory tariff: A 500% tariff on sugar to reply to a high tariff imposed by another country.

Question 9a of 10 (2 WTO 232047)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What is the purpose of the World Trade Organization?

Table with 2 columns: Choice and Feedback. Option A: To promote free trade around the world. Feedback: Correct! The WTO is an international organization that promotes free trade by helping countries negotiate and enforce free trade agreements.

Global Incorrect Feedback
The correct answer is: To promote free trade around the world. The WTO is an international organization that promotes free trade by helping countries negotiate and enforce free trade agreements.

Question 9b of 10 (2 WTO 232048)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Which organization attempts to promote free trade around the world?

Table with 2 columns: Choice and Feedback. Option C: The World Trade Organization (WTO). Feedback: Correct! The WTO is an international organization that promotes free trade by helping countries negotiate and enforce free trade agreements.

Global Incorrect Feedback
The correct answer is: The World Trade Organization (WTO). The WTO is an international organization that promotes free trade by helping countries negotiate and enforce free trade agreements.

Question 9c of 10 (2 WTO 232049)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What are Normal Trade Relations?

Table with 2 columns: Choice and Feedback. Option D: A treaty to create favorable trade terms between two nations. Feedback: Correct! Countries with NTR treaties give each other the best trade terms that they give anybody else, usually as very low tariffs.

Global Incorrect Feedback
The correct answer is: A treaty to create favorable trade terms between two nations. Countries with NTR treaties give each other the best trade terms that they give anybody else, usually as very low tariffs.

Question 10a of 10 (2 Differences between taxes and tariffs 232050)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What's the difference between a tax and a tariff?

Table with 2 columns: Choice and Feedback. Option B: Taxes are collected internally while tariffs are collected on imports. Feedback: Correct! Taxes are paid on domestic economic activity while tariffs are paid on international trade.

Global Incorrect Feedback
The correct answer is: Taxes are collected internally while tariffs are collected on imports. Taxes are paid on domestic economic activity while tariffs are paid on international trade.

Question 10b of 10 (2 Differences between taxes and tariffs 232051)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: Choose the pair of phrases that correctly completes this sentence: taxes are charged _____ while tariffs are charged _____.

Table with 2 columns: Choice and Feedback. Option C: internally; on imports. Feedback: Correct! Taxes are paid on domestic economic activity while tariffs are paid on international trade.

Global Incorrect Feedback
The correct answer is: internally; on imports. Taxes are paid on domestic economic activity while tariffs are paid on international trade.

Question 10c of 10 (2 Differences between taxes and tariffs 232052)

Maximum Attempts: 1
Question Type: Multiple Choice
Maximum Score: 2

Question: What explains the difference between a tax and a tariff?

Table with 2 columns: Choice and Feedback. Option D: Taxes are paid on domestic economic activity while tariffs are paid on international trade. Feedback: Correct! Taxes are a form of public revenues while tariffs are a form of public debt.

Global Incorrect Feedback
The correct answer is: Taxes are paid on domestic economic activity while tariffs are paid on international trade. Taxes are a form of public revenues while tariffs are a form of public debt.