

# Content Vocabulary Activity

shareholder  
(a. 1828) : one  
who has a part in  
ownership; esp : ST

## CHAPTER 10: GOVERNMENT SPENDING

**Directions:** Select and write the term that best completes each sentence.

1. The \_\_\_\_\_ (fiscal year/federal budget) is a 12-month financial planning period that may or may not coincide with a calendar time period.
2. Some states have enacted a \_\_\_\_\_ (subsidy/balanced budget amendment) to help them hold spending in line with state revenues.
3. \_\_\_\_\_ (Park projects/Entitlements), such as Medicaid, provide social programs for lower-income people.
4. The \_\_\_\_\_ (public sector/private sector) consists of federal, state, and local governments.
5. The \_\_\_\_\_ (federal budget/national debt) is the total amount borrowed from investors to finance deficit spending by the national government.
6. \_\_\_\_\_ (Discretionary spending/Mandatory spending) must be approved by Congress in the annual budgetary process.
7. A \_\_\_\_\_ (grant-in-aid/subsidy) is a transfer payment one level of government makes to another.
8. An \_\_\_\_\_ (entitlement/appropriations bill) is a law that sets federal money aside for a specific purpose.
9. A \_\_\_\_\_ (balanced budget/trust fund) is a special account that provides money for specific types of expenditures, such as Social Security.
10. The \_\_\_\_\_ (grant-in-aid/crowding-out effect) is higher than normal interest rates caused by heavy government borrowing.
11. The government's plan outlining proposed revenues and expenditures for the coming year is the \_\_\_\_\_ (federal budget/federal budget deficit).
12. The \_\_\_\_\_ (balanced budget amendment/pay-as-you-go provision) is a requirement that new spending proposals or tax cuts must be offset by reductions elsewhere.
13. \_\_\_\_\_ (Entitlements/Spending caps) are legal limits on annual discretionary spending.