

Chapter 10 Review

1. Differentiate between the public and private sector.
2. Identify the historical events which altered the public's perspective regarding government spending.
3. Explain pork spending and provide examples.
4. Define discretionary and mandatory spending. Provide examples for each
Social Security FBI Coast Guard Medicare education Medicaid
Veterans Retirement highways defense foreign aid
5. Identify the top 4 expenditure categories for Federal, State, & Local governments and how they differ.
6. What crowding out and how it effects the private sector?
7. Explain how a surplus, a deficit, and debt can result from the budget.
8. Identify which formula below demonstrates a budget deficit and budget surplus.
Revenues > Expenditures
Expenditures > Revenues
9. Explain the difference between the national debt and the federal deficit?
10. What is the impact of the national debt? (4)
11. Identify ways (2) to reduce/prevent a budget deficit.
12. Explain what is an entitlement and provide examples.