

Activity Sheet 1.4: Budget Basics

PART A: OVERVIEW

1. Each level of government in Canada manages certain responsibilities and matters of concern.
 - a) Name two responsibilities at the **federal** level.
 - b) Name two responsibilities of the **Québec** government.
 - c) Name two responsibilities at the **municipal** (or local) level.
2. Explain **expenses** and **revenue** in your own words and explain the links between those two notions.
3. Would you rather have a **surplus** or a **deficit**? Why?
4. Explain the terms **deficit** and **debt** and how they relate to each other.
5. Why is borrowing money necessary at times?

PART B: EXPENDITURES OF THE QUÉBEC GOVERNMENT

1. What are **mission expenditures**? Provide examples.

2. What are **debt services expenditures**?

PART C: REVENUES OF THE QUÉBEC GOVERNMENT

1. What are **transfer payments**? Provide an example.

2. What are the Québec's government's three main sources of revenue?

3. How is personal income tax calculated?

4. What are **government enterprises**? Which are the most profitable?

Reflection: If you were the Finance Minister and you realized you did not have enough revenue to pay for your expenses, which would you choose and why?

- Decrease your expenses
- Increase your revenue
- Borrow money and pay it back at a later date