

## 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 the government's **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