

Name: _____ Date: _____

Answer Key: Will Our Zoo Grow? A Kindergarten Fiscal Policy Adventure

Resource allocation, community budgeting, and societal trade-offs. Perfect for sparking high-level civic reasoning during your social studies circle time.

1. The Town Mayor has a big jar of money collected from everyone to pay for a new park. This money is called 'Revenue.' If the Mayor decides to spend all that money on a giant slide instead of fixing the broken swings, what is that called?

Answer: A) A Trade-off

Fiscal policy involves making choices (trade-offs) because the government cannot buy everything at once with the available revenue.

2. True or False: If the government wants more people to buy healthy apples, they can use 'Fiscal Policy' to make the price of apples cheaper for families.

Answer: A) True

Governments use fiscal tools, like subsidies or spending, to influence what people choose to buy to help the community stay healthy.

3. When the government builds a brand new bridge so people can get to work faster, they are using _____ to help the economy move.

Answer: B) Public Spending

Public spending is a key part of fiscal policy where the government uses money to build infrastructure like bridges and roads.

4. Imagine the town has no more money left, but they still need to pay the Firefighters. What is one way the government can get more money?

Answer: C) Collecting taxes from grown-ups

Taxes are the primary way governments collect the revenue needed to pay for essential services like fire departments.

5. If the Mayor decides to GIVE money to a toy shop to help them hire more workers, this is an example of an _____ policy meant to grow the town.

Answer: A) Expansionary

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Expansionary policy is when the government increases spending or cuts taxes to encourage growth and job creation.

6. True or False: Every time the government spends money on a new library, they are making a choice NOT to spend that same money on a new swimming pool.

Answer: A) True

This is the concept of opportunity cost; fiscal policy requires choosing one public good over another due to limited resources.

7. Why might the government decide to charge a very high tax on 'Loud Noise Whistles'?

Answer: B) To discourage people from making too much noise

Governments use taxes not just for money, but to discourage certain behaviors that might be annoying or harmful to the community.

8. When the town council looks at their plan for spending and saving money for the whole year, they are looking at their _____.

Answer: C) Budget

The budget is the official document where fiscal policy is written down, showing how much will be collected and spent.

9. True or False: The government is the only group in the whole world that never has to worry about running out of money for projects.

Answer: B) False

Governments face scarcity just like families and must manage their fiscal policy carefully to avoid going too deep into debt.

10. If the town has a 'Surplus,' it means they collected more tax money than they spent. What is the most responsible thing for the Mayor to do with a Surplus?

Answer: B) Save it for an emergency or pay off old bills

Managing a surplus involves saving for the future or reducing debt, which are key strategic goals of fiscal policy.