

Name: _____ Date: _____

Big Budgets, Small Wallets: 6th Grade Fiscal Policy Quiz

Examine how tax dollars turn into community services and discover the balancing act between public spending and family savings through this quick-response challenge.

1. What are the two main tools the government uses to manage the country's fiscal policy?

- A. Printing money and setting interest rates
- B. Taxing and spending
- C. Importing and exporting goods
- D. Buying and selling private businesses

2. When the government collects taxes, it is essentially taking away some of the 'purchasing power' of citizens.

- A. True
- B. False

3. If a city wants to build a new public park, the money usually comes from government _____.

- A. Advertising
- B. Borrowing from kids
- C. Spending
- D. Donations only

4. Which of these is an example of a service provided through government spending?

- A. A neighborhood lemonade stand
- B. Local fire departments
- C. Streaming movie subscriptions
- D. Private toy manufacturing

5. The money that citizens and businesses are required to pay to the government is called _____.

- A. Profits
- B. Dividends
- C. Allowances
- D. Taxes

6. One goal of fiscal policy is to help keep the economy stable so that many people have jobs.

- A. True
- B. False

7. If the government decides to lower taxes, what is a likely result for most families?

- A. They will have less money to spend
- B. They will have more money to spend

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- C. They will stop buying groceries
- D. They will have to pay the government more

8. When the government builds a massive interstate highway, this is an investment in _____.

- A. Infrastructure
- B. Personal vehicles
- C. Small businesses
- D. Vacation planning

9. Fiscal policy decisions are made by everyday citizens at the grocery store.

- A. True
- B. False

10. Imagine the economy is slowing down. What might the government do to 'kickstart' activity?

- A. Close all the public libraries
- B. Increase taxes on everyone
- C. Increase spending on new projects
- D. Stop all road repairs