**16-17 review**

**Multiple Choice**

*Identify the letter of the choice that best completes the statement or answers the question.*

**MAIN IDEAS**

\_\_\_\_ 1. The largest source of federal revenue from taxes comes from

|  |  |  |  |
| --- | --- | --- | --- |
| a. | income taxes. | c. | estate taxes. |
| b. | excise taxes. | d. | custom duties. |

\_\_\_\_ 2. Taxes on the production, transportation, sale, or consumption of goods are \_\_\_\_ taxes.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | income | c. | excise |
| b. | corporation | d. | estate |

\_\_\_\_ 3. The power to borrow money, historically, was seen as a way for the United States to

|  |  |
| --- | --- |
| a. | get the money needed to operate on a day-to-day basis. |
| b. | meet the costs of both long and short term crisis situations. |
| c. | demonstrate its financial power to other countries of the world. |
| d. | finance projects that could just as easily have been supported by taxes. |

\_\_\_\_ 4. One reason for the importance of the federal budget is that it

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| --- | --- |
| a. | determines how Social Security will be distributed. |
| b. | demonstrates Congress' stand on significant issues. |
| c. | determines which public programs will have money to operate. |
| d. | limits the sources from which budget money can come. |

\_\_\_\_ 5. Which of the following limits on the Federal Government's power to tax is implied but not stated in the Constitution?

|  |  |
| --- | --- |
| a. | No tax shall be levied on articles exported from any State. |
| b. | All taxes must be used for public purposes, not private purposes. |
| c. | States shall not be taxed for their governmental activities. |
| d. | States shall pay direct taxes proportionately based on population. |

\_\_\_\_ 6. The Federal Government can levy taxes on all of the following groups EXCEPT

|  |  |  |  |
| --- | --- | --- | --- |
| a. | manufacturers. | c. | churches. |
| b. | workers. | d. | importers. |

\_\_\_\_ 7. A gift tax must be paid if a person

|  |  |
| --- | --- |
| a. | receives money from the estate of a deceased relative. |
| b. | receives gifts valuing more than $10,000 in any one year. |
| c. | imports certain luxury items. |
| d. | receives gifts of more than $100,000 in a lifetime, paid in increments of $10,000 per year. |

\_\_\_\_ 8. Sometimes the Federal Government's power to levy taxes for nonrevenue purposes is denied by the Supreme Court because

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| --- | --- |
| a. | only taxes for revenue are truly constitutional. |
| b. | Congress is trying to raise more money than necessary. |
| c. | the tax provisions may interfere with a protected constitutional right. |
| d. | the Supreme Court does not agree with Congress's stand on an issue. |

\_\_\_\_ 9. The Federal Government is able to borrow money at lower interest rates than private borrowers because

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| --- | --- |
| a. | its securities are considered the safest possible investment. |
| b. | interest rates are set by Congress. |
| c. | it borrows over long periods of time. |
| d. | it borrows mostly from State governments. |

\_\_\_\_ 10. The Federal Government's practice of spending more than it takes in results in

|  |  |
| --- | --- |
| a. | greater dependence on regressive taxes than on progressive taxes. |
| b. | deficit financing. |
| c. | low interest rates. |
| d. | longer fiscal years. |

\_\_\_\_ 11. Today, more than one in every five dollars spent by the Federal Government pays for

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| --- | --- |
| a. | interest on the national debt. |
| b. | money allocated for military equipment. |
| c. | money allocated to the various departments. |
| d. | money needed to complete the federal budget. |

\_\_\_\_ 12. Although only Congress can appropriate the money that the Federal Government uses to operate, it is the \_\_\_\_ who initiate(s) the spending process.

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| --- | --- | --- | --- |
| a. | President | c. | Budget Committee |
| b. | Supreme Court | d. | voters |

\_\_\_\_ 13. The Federal Government can

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| --- | --- |
| a. | use its taxing power in any manner it wishes. |
| b. | tax an activity that Congress believes is harmful or dangerous to the public. |
| c. | not levy taxes for any reason other than to raise money. |
| d. | tax a State government on its public service activities. |

\_\_\_\_ 14. Which of the following is NOT a source of nontax money in the United States?

|  |  |
| --- | --- |
| a. | interest on loans made by the Federal Government |
| b. | personal payments to the "conscience fund" |
| c. | revenues collected as custom duties |
| d. | profit from the manufacture of money |

\_\_\_\_ 15. To combat a crisis situation in the past, Congress was allowed to

|  |  |
| --- | --- |
| a. | borrow money for the Federal Government. |
| b. | ask the States for additional tax funds for the Federal Government. |
| c. | establish new taxes and demand immediate payment. |
| d. | tax exports from the United States of certain expensive goods. |

\_\_\_\_ 16. Public debt today is measured in \_\_\_\_ of dollars.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | thousands | c. | billions |
| b. | millions | d. | trillions |

\_\_\_\_ 17. The process of preparing the federal budget begins with

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| --- | --- |
| a. | estimates from all agencies detailing yearly spending projections. |
| b. | plans for spending determined by the President. |
| c. | suggestions on spending from congressional committees. |
| d. | spending plans submitted by the Office of Management and Budget. |

\_\_\_\_ 18. A person with a low income from an importing business, who receives large gifts of money from friends and has no wealthy relatives, would prefer

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| --- | --- |
| a. | a regressive income tax, low custom duties, high estate taxes, and low gift taxes. |
| b. | a progressive income tax, high custom duties, low estate taxes, and low gift taxes. |
| c. | a regressive income tax, high custom duties, low estate taxes, and high gift taxes. |
| d. | a progressive income tax, low custom duties, high estate taxes, and low gift taxes. |

\_\_\_\_ 19. In recent decades, the Federal Government borrowed money mostly to

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| --- | --- |
| a. | finance special expensive projects. |
| b. | provide funds for crisis situations, such as wars and natural disasters. |
| c. | pay the President's salary. |
| d. | operate the government and pay previous years' debt. |

\_\_\_\_ 20. The most important aspect of the federal budget is the impact it has on

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| --- | --- | --- | --- |
| a. | Congress. | c. | public policy. |
| b. | the President. | d. | continuing resolutions. |

\_\_\_\_ 21. In developing the budget, the President's budget plan is referred to the

|  |  |
| --- | --- |
| a. | Office of Management and Budget for clarification. |
| b. | Congressional Budget Office for implementation. |
| c. | separate agencies for revision. |
| d. | Budget Committee in each house of Congress for study. |

\_\_\_\_ 22. A key role of the secretary of state is

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| --- | --- |
| a. | being the operating head of the Defense Department. |
| b. | offering advice on foreign affairs to the President. |
| c. | overseeing the issuing of patents and censuses. |
| d. | dividing the State Department into its geographic components. |

\_\_\_\_ 23. The United States does not have a major strategic military alliance in the Middle East mainly because

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| --- | --- |
| a. | the United States wants to maintain friendly relations with both Arabs and Israelis. |
| b. | there is no potential for military conflict in the region. |
| c. | the United States victory in the Gulf War has eliminated the need for alliances in this area. |
| d. | Israel is capable of defending itself. |

\_\_\_\_ 24. During the cold war, American relations with the Soviet Union were dominated by

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| --- | --- | --- | --- |
| a. | détente. | c. | containment. |
| b. | foreign aid. | d. | collective security. |

\_\_\_\_ 25. Which is NOT a stated purpose of the United Nations?

|  |  |
| --- | --- |
| a. | to maintain international peace and security |
| b. | to develop friendly relations among nations |
| c. | to promote justice and cooperation |
| d. | to promote free trade throughout the world |

\_\_\_\_ 26. A major feature of American foreign policy since World War II has been

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| --- | --- |
| a. | deterrence. |
| b. | the Roosevelt Corollary to the Monroe Doctrine. |
| c. | support for the League of Nations. |
| d. | renewed isolationism. |

\_\_\_\_ 27. The United States offers foreign aid MOSTLY to

|  |  |
| --- | --- |
| a. | improve the image of the United States abroad. |
| b. | support struggling democracies and countries that are critical to foreign policy objectives. |
| c. | protect ambassadors and citizens traveling abroad. |
| d. | fund overseas military operations. |

\_\_\_\_ 28. Five member nations hold the veto power in the United Nations

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Security Council. | c. | Trusteeship Council. |
| b. | International Court of Justice. | d. | General Assembly. |

\_\_\_\_ 29. Since 1965 the immigration policy of the United States, as enforced by the Immigration and Naturalization Service, has emphasized

|  |  |
| --- | --- |
| a. | ethnicity and nationality. |
| b. | economic and social status. |
| c. | refugee status and family reunification. |
| d. | health and intelligence assessment. |

\_\_\_\_ 30. What do the Customs Service, Public Health Service, and Coast Guard have in common?

|  |  |
| --- | --- |
| a. | a suspicion of foreigners entering the United States |
| b. | a concern that all visitors to the United States feel welcome |
| c. | an exclusive involvement with the domestic affairs of the United States |
| d. | an involvement with the foreign and defense policies of the United States |

\_\_\_\_ 31. Which does NOT accurately describe the secretary of defense?

|  |  |
| --- | --- |
| a. | operating head of the Defense Department |
| b. | President's chief aide in making and carrying out defense policy |
| c. | headquartered in the Pentagon |
| d. | must have served active military duty within 10 years of appointment |

\_\_\_\_ 32. Regional security alliances

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| --- | --- |
| a. | prevent attack from Communist countries only. |
| b. | are no longer of importance in the world. |
| c. | can be formed by free countries only. |
| d. | are an attempt to meet aggression collectively. |

\_\_\_\_ 33. The main reason for the formation of the United Nations was

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| --- | --- |
| a. | to end World War I. |
| b. | United States approval of the charter. |
| c. | to save future generations from wars. |
| d. | the dissolution of the League of Nations. |

\_\_\_\_ 34. The United States Public Health Service has a role in foreign affairs by

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| --- | --- |
| a. | deporting those who try to enter this country with contagious diseases. |
| b. | patrolling U.S. borders to prevent germ warfare. |
| c. | working with the United Nations to prevent disease and meet other health related problems throughout the world. |
| d. | developing new strains of disease to counter terrorists. |

\_\_\_\_ 35. Which of the following best describes the role of the secretary of state?

|  |  |
| --- | --- |
| a. | the President's chief aide and advisor in making and carrying out defense policy |
| b. | the operating head of the Defense Department |
| c. | the President's chief aide and advisor on matters of foreign affairs |
| d. | to publish the nation's laws, issue patents, and supervise the census |

\_\_\_\_ 36. The duties of the Immigration and Naturalization Service include

|  |  |
| --- | --- |
| a. | issuing work permits to immigrants. |
| b. | granting asylum to political refugees. |
| c. | preparing applicants for U.S. citizenship. |
| d. | all of the above. |

\_\_\_\_ 37. For the first part of the country's history, American foreign policy could be described most accurately as

|  |  |
| --- | --- |
| a. | a continued involvement in all aspects of world affairs. |
| b. | a pursuit of numerous economic and diplomatic ties abroad. |
| c. | a desire for noninvolvement. |
| d. | maintaining world leadership. |

\_\_\_\_ 38. Since the end of the cold war, which region of the world has shaped American foreign policy the MOST?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Middle East | c. | Southeast Asia |
| b. | Latin America | d. | Western Europe |

\_\_\_\_ 39. A period of détente with the Soviet Union ended with the

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Truman Doctrine. | c. | Soviet invasion of Afghanistan. |
| b. | Cuban missile crisis. | d. | Yalta Conference. |

\_\_\_\_ 40. The position of the United States in the Middle East can best be described as that of

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| --- | --- |
| a. | supporter of both Israel and most Arab countries. |
| b. | ally and strong supporter of Israel only. |
| c. | uninvolved observer of both sides. |
| d. | strong ally of all Arab countries. |

\_\_\_\_ 41. What do the CIA, Customs Service, and the Coast Guard have in common?

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| --- | --- |
| a. | They are all parts of the State Department. |
| b. | They are all parts of the Defense Department. |
| c. | They are all have a role in foreign relations. |
| d. | They are all public organizations working to promote the United States abroad. |

**INTERPRETING TABLES**

*Use the table to answer the following questions.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| PUBLIC DEBT OF THE UNITED STATES | | | | |
| Fiscal  Year | Debt  (billions) | Per Capita  (dollars) | Interest Paid  (billions) | Percent of  Federal  Outlay | |
| 1870 | $2.4 | $61.06 | — | — | |
| 1880 | 2.0 | 41.60 | — | — | |
| 1890 | 1.1 | 17.80 | — | — | |
| 1900 | 1.2 | 16.60 | — | — | |
| 1910 | 1.1 | 12.41 | — | — | |
| 1920 | 24.2 | 228 | — | — | |
| 1930 | 16.1 | 131 | — | — | |
| 1940 | 43.0 | 325 | $1.0 | 10.5 | |
| 1945 | 258.7 | 1,849 | 3.8 | 4.1 | |
| 1950 | 256.1 | 1,688 | 5.7 | 13.4 | |
| 1955 | 272.8 | 1,651 | 6.4 | 9.4 | |
| 1960 | 284.1 | 1,572 | 9.2 | 10.0 | |
| 1965 | 313.8 | 1,613 | 11.3 | 9.6 | |
| 1970 | 370.1 | 1,814 | 19.3 | 9.9 | |
| 1975 | 533.2 | 2,475 | 32.7 | 9.8 | |
| 1980 | 907.7 | 3,985 | 74.9 | 12.7 | |
| 1981 | 997.9 | 4,338 | 95.6 | 14.1 | |
| 1982 | 1,142.0 | 4,913 | 117.4 | 15.7 | |
| 1983 | 1,377.2 | 5,870 | 128.8 | 15.9 | |
| 1984 | 1,572.3 | 6,640 | 153.8 | 18.1 | |
| 1985 | 1,823.1 | 7,598 | 178.9 | 18.9 | |
| 1986 | 2,125.3 | 8,774 | 190.2 | 19.2 | |
| 1987 | 2,350.3 | 9,615 | 195.4 | 19.5 | |
| 1988 | 2,602.3 | 10,534 | 214.1 | 20.1 | |
| 1989 | 2,857.4 | 11,545 | 240.9 | 21.0 | |
| 1990 | 3,233.3 | 13,000 | 264.8 | 21.1 | |
| 1991 | 3,665.3 | 14,436 | 285.4 | 21.5 | |
| Source: Department of the Treasury | | |  |  | |

\_\_\_\_ 42. The total public debt first went over $900 billion in

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 1945. | c. | 1979. |
| b. | 1960. | d. | 1980. |

\_\_\_\_ 43. The interest paid

|  |  |
| --- | --- |
| a. | reached over $5,526 billion by 1998. |
| b. | never increased by more than $10 billion per year. |
| c. | increased by over $363 billion since 1940. |
| d. | exceeded $100 billion in 1981. |

\_\_\_\_ 44. In what year did the public debt take the greatest percent of total federal outlay?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 1970 | c. | 1991 |
| b. | 1986 | d. | 1955 |

\_\_\_\_ 45. The total public debt in 1990 was \_\_\_\_ billion.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | $3,233.3 | c. | $907.7 |
| b. | $2,857.4 | d. | $3,665.3 |

\_\_\_\_ 46. The interest paid on public debt has

|  |  |
| --- | --- |
| a. | remained about the same since 1980. |
| b. | increased steadily from 1940. |
| c. | fluctuated greatly between 1940 and 1991. |
| d. | decreased steadily from 1940. |

\_\_\_\_ 47. The difference between per capita public debt in 1900 and in 1991 was

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| --- | --- | --- | --- |
| a. | $98.85. | c. | $14,419.40. |
| b. | $2,856.20. | d. | $11,561.60. |