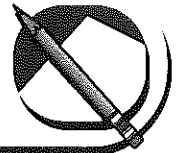


Section 3: Quiz

Federal Spending



A. Key Terms

Match the descriptions in Column I with the terms in Column II. Write the letter of the correct answer in the blank provided.

Column I

- _____ 1. social welfare programs from which people benefit if they meet certain eligibility requirements
- _____ 2. money lawmakers have a choice about spending
- _____ 3. benefits paid to retired and disabled workers
- _____ 4. money lawmakers are required to spend on certain programs

Column II

- a. mandatory spending
- b. discretionary spending
- c. entitlements
- d. Social Security

B. Main Ideas

Write the letter of the correct answer in the blank provided.

- _____ 5. Approximately what percentage of the national budget is spent on defense?
 - a. 5 percent
 - b. 15 percent
 - c. 25 percent
 - d. 45 percent
- _____ 6. What is the difference between Medicare and Medicaid?
 - a. Medicare is for people over age 65, whereas Medicaid is for low-income families.
 - b. Medicare is for adults, whereas Medicaid is for children under 16 years old.
 - c. Medicare is a program of the individual states, whereas Medicaid is a federal program.
 - d. There is no difference; they are different names for the same program.
- _____ 7. What is a "means-tested" program?
 - a. one with no federal entitlements
 - b. one that depends on age-related criteria for benefits
 - c. one for which those with higher incomes receive lower benefits or no benefits at all
 - d. one for which the recipient must have contributed to it in order to qualify for benefits
- _____ 8. What is the largest category of federal spending?
 - a. foreign aid
 - b. law enforcement
 - c. education and training
 - d. Social Security
- _____ 9. What is one reason the government has only limited control of its spending?
 - a. When criteria have been set for a program there is no control of how many people will qualify.
 - b. Congress can change the number of people who qualify for a program but not how much they will receive.
 - c. The government cannot control how much money will be spent on education in a given year.
 - d. When the government starts some programs it does not know what they will cost.
- _____ 10. Why are Social Security and Medicare spending expected to increase further in the near future?
 - a. The amounts people receive are expected to take a big jump.
 - b. The baby boomer generation will qualify for both programs.
 - c. The people who qualify will all receive the maximum benefit.
 - d. The generation over age 85 will qualify for expensive medical programs.