

## Chapter 10 Section 1

# The Economics of Government Spending

What is the **public sector**?

When did the public sector begin grow significantly?

What reasons does your textbook give for the growth in government?

What are some of the kinds of goods and services that the government buys?

What types of employees work for government?

What is a **transfer payment**?

List three types of transfer payments.

What is a grant-in-aid and give an example.

How does the government affect the **distribution of income**?

What are several areas where the government competes with the private sector?

## Chapter 10 Section 2

# Federal Government Expenditures

What is the **federal budget**?

What is **mandatory spending**?

Which budget items are included in mandatory spending?

What is **discretionary spending**?

How much of the budget is made up of discretionary spending?

When does the **fiscal year** start and end?

Who is involved in the first step of making a federal budget?

What role does Congress play in the budget?

What is a **budget deficit**?

What is a **budget surplus**?

Who acts on an **appropriations bill**?

What is the largest percentage of the federal budget? What percent?

What percent of the national budget did National Defense get?