

Homework (chapter 12)

Due Feb 24 at 11:59pm**Points** 20**Questions** 20**Available** until Feb 24 at 11:59pm**Time Limit** None**Allowed Attempts** 2

Instructions

This required homework assignment covers material from chapter 12.

Homework answers may be saved and returned to, as long as it is within the deadline. To do so, remember to save your responses before leaving the Canvas website, and do not click on the "Submit" button (or Canvas will automatically grade your assignment and you will have no way of changing your answers). If you start the quiz before the deadline but do not finish by the deadline, Canvas will submit the homework for you at the deadline.

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Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	16 minutes	20 out of 20

⚠ Correct answers will be available on Feb 25 at 12am.

Score for this attempt: **20** out of 20

Submitted Feb 11 at 12:08pm

This attempt took 16 minutes.

Question 1

1 / 1 pts

A person's tax liability refers to

- ☐ the percentage of income that a person must pay in taxes.
- ☒ the amount of tax a person owes to the government.
- ☐ the amount of tax the government is required to refund to each person.



deductions that can be legally subtracted from a person's income each year.

Question 2**1 / 1 pts**

Which of the following is an example of a payroll tax?

- ☒ a tax on the wages that a firm pays its workers
- ☐ a “sin” tax on distilled alcohol
- ☐ a tax on corporate profits
- ☐ the portion of federal income taxes earmarked to pay for national defense

Question 3**1 / 1 pts**

A transfer payment is a government payment

- ☐ to companies that provide goods or services to government agencies.
- ☐ designed to transfer funds from one government agency to another.
- ☐ which transfers revenue from the federal government to state government.
- ☒ not made in exchange for a good or service.

Question 4**1 / 1 pts**

Medicaid is

- ☐ the government's health plan for the elderly.
- ☒ the government's health plan for the poor.
- ☐ another name for Social Security.
- ☐ Both a and c are correct.

Question 5**1 / 1 pts**

A budget deficit

- ☒ occurs when government receipts are less than spending.
- ☐ occurs when government spending is less than receipts.
- ☐ occurs when government receipts are equal to spending.
- ☐ is the accumulation of years of government overspending.

Question 6**1 / 1 pts**

One tax system is less efficient than another if it

- ☐ places a lower tax burden on lower-income families than on higher-income families.
- ☐ places a higher tax burden on lower-income families than on higher-income families.
- ☒ raises the same amount of revenue at a higher cost to taxpayers.

- ☐ raises less revenue at a lower cost to taxpayers.

Question 7**1 / 1 pts**

The deadweight loss of a tax is

- ☒ the reduction in economic welfare of taxpayers that exceeds the revenue raised by the government.
- ☐ the improved efficiency created as people reallocate resources according to the tax incentive rather than the true costs and benefits.
- ☐ the loss in tax revenues.
- ☐ Both a and b are correct.

Question 8**1 / 1 pts**

A person's marginal tax rate equals

- ☐ her tax obligation divided by her average tax rate.
- ☒ the increase in taxes she would pay as a percentage of the rise in her income.
- ☐ her tax obligation divided by her income.
- ☐ the increase in taxes if her average tax rate were to rise by 1 percent.

Question 9**1 / 1 pts****Scenario 12-4**

A taxpayer faces the following tax rates on her income:

20 percent of the first \$40,000 of her income;

30 percent of all her income above \$40,000.

Refer to Scenario 12-4. The taxpayer faces a marginal tax rate of

- ☐ 20 percent when her income rises from \$40,000 to \$40,001.
- ☒ 20 percent when her income rises from \$30,000 to \$30,001.
- ☐ 0 percent when her income rises from \$30,000 to \$30,001.
- ☐ 10 percent when her income rises from \$40,000 to \$40,001.

Question 10**1 / 1 pts****Scenario 12-4**

A taxpayer faces the following tax rates on her income:

20 percent of the first \$40,000 of her income;

30 percent of all her income above \$40,000.

Refer to Scenario 12-4. The taxpayer faces

- ☐ an average tax rate of 22.5 percent when her income is \$30,000.
- ☒ an average tax rate of 22.0 percent when her income is \$50,000.
- ☐ a marginal tax rate of 10 percent when her income rises from \$40,000 to \$40,001.



a marginal tax rate of 50 percent when her income rises from \$60,000 to \$60,001.

Question 11**1 / 1 pts***Table 12-4*

Income	Tax rate
\$0 to \$40,000	25%
\$40,000 to \$100,000	40%
Over \$100,000	60%

Refer to Table 12-4. What is the marginal tax rate for a person who makes \$130,000?

☐ 30%☐ 40%☐ 50%☒ 60%**Question 12****1 / 1 pts***Table 12-4*

Income	Tax rate
\$0 to \$40,000	25%

\$40,000 to \$100,000	40%
Over \$100,000	60%

Refer to Table 12-4. What is the average tax rate for a person who makes \$130,000?

☐ 30%

☒ 40%

☐ 50%

☐ 60%

Question 13

1 / 1 pts

The principle that people should pay taxes based on the benefits they receive from government services is called the

☐ pay principle.

☐ tax-benefit principle.

☐ government services principle.

☒ benefits principle.

Question 14

1 / 1 pts

The argument that each person should pay taxes according to how well the individual can shoulder the burden is called

☒ the ability-to-pay principle.

☐ the equity principle.

☐ the benefits principle.

☐ regressive.

Question 15

1 / 1 pts

Vertical equity in taxation refers to the idea that people

☒ in unequal conditions should be treated differently.

☐ in equal conditions should pay equal taxes.

☐ should pay taxes based on the benefits they receive from the government.

☐ should pay a proportional tax rather than a progressive tax.

Question 16

1 / 1 pts

Horizontal equity in taxation refers to the idea that people

☐ in unequal conditions should be treated differently.

☒ in equal conditions should pay equal taxes.

☐ should be taxed according to their ability to pay.

☐ should receive government benefits according to how much they have been taxed.

Question 17

1 / 1 pts

Table 12-20

The following table presents the total tax liability for an unmarried taxpayer under four different tax schedules for the income levels shown.

<i>Income</i>	Amount of Tax Due			
	<i>Tax Schedule A</i>	<i>Tax Schedule B</i>	<i>Tax Schedule C</i>	<i>Tax Schedule D</i>
\$50,000	\$10,000	\$20,000	\$17,500	\$15,000
\$100,000	\$30,000	\$30,000	\$25,000	\$30,000
\$200,000	\$80,000	\$40,000	\$30,000	\$60,000

Refer to Table 12-20. Which tax schedules are progressive?

- ☒ Tax Schedule A only
- ☐ Tax Schedule A and Tax Schedule B
- ☐ Tax Schedule A, Tax Schedule B, and Tax Schedule C
- ☐ All four Tax Schedules are progressive.

Question 18

1 / 1 pts

Table 12-20

The following table presents the total tax liability for an unmarried taxpayer under four different tax schedules for the income levels shown.

<i>Income</i>	Amount of Tax Due			
	<i>Tax Schedule A</i>	<i>Tax Schedule B</i>	<i>Tax Schedule C</i>	<i>Tax Schedule D</i>

\$50,000	\$10,000	\$20,000	\$17,500	\$15,000
\$100,000	\$30,000	\$30,000	\$25,000	\$30,000
\$200,000	\$80,000	\$40,000	\$30,000	\$60,000

Refer to Table 12-20. Which tax schedules are regressive?

- ☐ Tax Schedule A and Tax Schedule B
- ☒ Tax Schedule B and Tax Schedule C
- ☐ Tax Schedule C and Tax Schedule D
- ☐ None of the Tax Schedules are regressive.

Question 19

1 / 1 pts

Table 12-20

The following table presents the total tax liability for an unmarried taxpayer under four different tax schedules for the income levels shown.

<i>Income</i>	Amount of Tax Due			
	<i>Tax Schedule A</i>	<i>Tax Schedule B</i>	<i>Tax Schedule C</i>	<i>Tax Schedule D</i>
\$50,000	\$10,000	\$20,000	\$17,500	\$15,000
\$100,000	\$30,000	\$30,000	\$25,000	\$30,000
\$200,000	\$80,000	\$40,000	\$30,000	\$60,000

Refer to Table 12-20. Which tax schedules are proportional?

- ☐ Tax Schedule B only

☐ Tax Schedule B and Tax Schedule C

☒ Tax Schedule D only

☐ Tax Schedule A and Tax Schedule B

Question 20

1 / 1 pts

Table 12-20

The following table presents the total tax liability for an unmarried taxpayer under four different tax schedules for the income levels shown.

<i>Income</i>	<i>Tax Schedule A</i>	Amount of Tax Due		
		<i>Tax Schedule B</i>	<i>Tax Schedule C</i>	<i>Tax Schedule D</i>
\$50,000	\$10,000	\$20,000	\$17,500	\$15,000
\$100,000	\$30,000	\$30,000	\$25,000	\$30,000
\$200,000	\$80,000	\$40,000	\$30,000	\$60,000

Refer to Table 12-20. Which tax schedule could be considered a lump-sum tax?

☐ Tax Schedule B only

☐ Tax Schedule B and Tax Schedule C

☐ Tax Schedule D only

☒ None of the tax schedules could be considered a lump-sum tax.

Quiz Score: **20** out of 20