

- 1) Consumption taxes distort decisions related to savings and investment.
- A) True
  - B) False

2) A broader base and lower rates would result in more distortions in the individual's consumption decisions.

- A) True
- B) False

- 3) Consumption taxes are generally viewed as
- A) regressive.
  - B) progressive.
  - C) simple to calculate.
  - D) multiplicative.

- 4) In contrast to \_\_\_\_\_ sales taxes, the GST is a \_\_\_\_\_ sales tax.
- A) multi-stage; single-stage
  - B) single-stage; multi-stage
  - C) federal; provincial
  - D) local; provincial

- 1) B
- 2) B
- 3) A
- 4) B