

- 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