VIDEO #3 – Canada’s economy

Checking for understanding

*Read through these questions – can you answer them quickly? If you can, then you understand the key concepts in this video. If not, go back and watch it again. Don’t forget to check your answers with the answer key (don’t peek – the whole point of this is to see if YOU understand the key ideas).*

1. What is the difference between standard of living and quality of life?
2. What do taxes and socialism have to do with each other?
3. Why is progressive taxation considered income redistribution?
4. What is a Crown Corporation?
5. How does Canada’s mixed economy answer the three economic questions?
6. Why do some Canadians have concerns with the government playing a role in our economy?
7. If someone wants less government intervention, why do we call this a shift right?

Answer key

1. What is the difference between standard of living and quality of life? (Standard of living is the amount of material goods you have, quality of life is how happy you are)
2. What do taxes and socialism have to do with each other? (In a mixed economy you need to have people pay taxes in order to pay for the government services)
3. Why is progressive taxation considered income redistribution? (We have the rich pay more in taxes so that the less fortunate can pay less taxes and get more government services – taking money from the rich to pay for the poor)
4. What is a Crown Corporation? (A business that is owned by the government, like the Post Office)
5. How does Canada’s mixed economy answer the three economic questions? (What to produce – what is in demand [capitalism] but also have the government provide necessary goods and services [socialism]; how to produce it – private industries in the most efficient manner [capitalism] but also have the government produce some goods to ensure access and employment [socialism]; who gets it – needs may be provided by the government [socialism], but most wants are based on your ability to pay for it [capitalism]
6. Why do some Canadians have concerns with the government playing a role in our economy? (There can be waste, excessive bureaucracy, or mismanagement)
7. If someone wants less government intervention, why do we call this a shift right? (Because the economic spectrum has less government on the right, and more government on the left)