

Understanding the Federal Budget Review Questions

Please answer the following questions (use back of this page if necessary).

1. When the President and Congress begin to create a budget for the coming year, they must make some key determinations. What are the three things they must determine?
 - 1.
 - 2.
 - 3.
2. What is it called when the government spends more money than it brings in?
3. Where do most federal government dollars come from? (What is the federal government's primary source of funds?)
4. Explain the difference between mandatory and discretionary spending? Provide an example of each kind of spending.
5. What program accounts for more federal spending than any other? Describe this program.
6. On what day is the President's budget usually submitted to Congress for its approval?
7. What has to happen, and who has to agree, for the 2015 budget to finally become law?
8. Describe some of the crises in federal funding that have occurred since December 2010?
9. Explain how deficit spending can be helpful and/or harmful.