

Understanding Taxes for Kids

Economics · Practice Test · 15 Questions

1. If you sell lemonade and give some money to your parents for helping you, what kind of tax is this similar to?

- A) Sales Tax
- B) Income Tax
- C) Property Tax
- D) Excise Tax

2. When you buy a cup of lemonade and have to pay a little extra money that goes to your neighborhood for keeping things clean, what is this extra money called?

- A) Corporate Tax
- B) Payroll Tax
- C) Sales Tax
- D) Deferred Tax

3. If you earn money today but don't have to pay your share to the neighborhood fund until later, what type of tax is this?

- A) Sales Tax
- B) Deferred Tax
- C) Excise Tax
- D) Customs Duties

4. What is a special tax just for companies, like a club membership fee for doing business?

- A) Payroll Tax
- B) Corporate Tax
- C) Property Tax
- D) Value-Added Tax

5. When you hire your friend to sell lemonade and pay them, you also give some money to help with things like roads and schools. What tax is this?

- A) Excise Tax
- B) Customs Duties
- C) Payroll Tax
- D) Income Tax

6. What is an extra price for certain things that are either too unhealthy or special, like a super fizzy lemonade?

- A) Property Tax
- B) Transfer Pricing
- C) Excise Tax
- D) Sales Tax

7. If you buy lemons from another neighborhood and bring them back to your stand, and have to give a few pebbles at the border, what tax is this similar to?

- A) Value-Added Tax
- B) Customs Duties
- C) Corporate Tax
- D) Deferred Tax

8. What tax do companies pay for owning or using buildings and land?

- A) Income Tax
- B) Sales Tax
- C) Property Tax
- D) Payroll Tax

9. When companies set charges between different branches in various locations, what is this called?

- A) Deferred Tax
- B) Transfer Pricing
- C) Excise Tax
- D) Customs Duties

10. What tax is added every time value is added to a product, like adding ice or a special straw to lemonade?

- A) Value-Added Tax (VAT)
- B) Corporate Tax
- C) Payroll Tax
- D) Income Tax

11. Companies pay taxes based on published financials, but tax authorities might recognize them in another year. What tax does this relate to?

- A) Deferred Tax
- B) Corporate Tax
- C) Sales Tax
- D) Property Tax

12. When companies sell things, they often add a little extra money to the price that goes to the government. What is this called?

- A) Sales Tax
- B) Income Tax
- C) Excise Tax
- D) Corporate Tax

13. The more money a company makes, the more it's part of the 'business club' in a country. This relates to which tax?

- A) Payroll Tax
- B) Property Tax
- C) Income Tax
- D) Deferred Tax

14. Companies pay these when they bring products from other countries.

- A) Customs Duties
- B) Excise Tax
- C) Sales Tax
- D) Corporate Tax

15. What tax is like a fee for using a specific spot, such as a good spot on the street for a lemonade stand?

- A) Property Tax
- B) Sales Tax
- C) Income Tax
- D) Payroll Tax