Name (please print) ______________________________

Assigned seat __________

Place all answers to your quiz in the space provided at the end of the quiz. No credit will be given for misplaced answers. All answers must be recorded in ink.

Consider the tax brackets below to answer the question that follows:

<table>
<thead>
<tr>
<th>Taxable Income Over</th>
<th>Not Exceeding</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$6,000</td>
<td>10%</td>
</tr>
<tr>
<td>$35,000</td>
<td>$27,050</td>
<td>15%</td>
</tr>
<tr>
<td>$55,000</td>
<td>$66,650</td>
<td>28%</td>
</tr>
<tr>
<td>$136,750</td>
<td>$136,750</td>
<td>31%</td>
</tr>
<tr>
<td>$297,300</td>
<td>$297,300</td>
<td>39.6%</td>
</tr>
</tbody>
</table>

1. What is the tax bill for a single person with taxable income of $35,000 (round to the nearest dollar)?
   a. $14458   b. $9800   c. $6872   d. $5985

2. In a progressive income tax system, if a person’s income doubles
   a. her tax bill will more than double.
   b. her tax bill will exactly double.
   c. her tax bill will increase, but less than double.
   d. her tax bill will fall.

3. According to the equation of exchange, if both the money supply and output grow at 3% over the next year and velocity rises by 3%, inflation will be:
   a. 3%   b. 6%   c. 9%   d. none of the above.

4. The equation of exchange is:
   a. MV=Py
   b. MP=Vy
   c. My=PV
   d. none of the above.

5. Velocity is likely to increase most if nominal interest rates (rise, fall) and the acceptability of ATM cards (increases, decrease).
   a. rise; increases.   b. rise; decreases.   c. fall; increases.   d. fall; decreases.
6. As inflation occurs, the real value of tax revenue can either rise or fall depending on the type of tax. Which of the following taxes is likely to lead to a decrease in real revenue during inflationary times?
   a. a sales tax.
   b. a progressive income tax.
   c. a proportional income tax.
   d. the cigarette tax.

7. According to the article "Back to the 80s...", supply side theory maintains that
   a. lower tax rates can cause tax revenue to increase.
   b. lower tax rates will cause tax revenue to fall.
   c. an increase in government spending will lead to larger deficits.
   d. larger deficits do not increase interest rates.

8. Which of the following taxes is likely to be most regressive?
   a. a sales tax.
   b. a cigarette tax.
   c. the Oxford city income tax
   d. property taxes.

9. With the current federal income tax system, if two single people marry and continue earning the same incomes received prior to marriage, marriage will cause their total taxes paid to:
   a. definitely rise
   b. definitely fall
   c. rise if their incomes prior to marriage were identical.
   d. rise if one person earned nothing and the other person earned something prior to marriage.

10. With a progressive income tax system that is not indexed, if both incomes and prices double, 
    a. real after tax income will fall.
    b. people will experience an increase in their marginal tax rates.
    c. nominal tax payments will more than double.
    d. all of the above.