

How Children Can Earn Money

(What Do You Know Now?)

Read each question below. Each question may have more than one correct answer, so circle every correct answer. Add your name and today's date at the bottom.

1. What is the difference between a wage and a salary?
 - A. A salary is payment you receive to complete the work required by a company or small business.
 - B. A wage is payment you receive by the hour for working.
 - C. A salary is payment you receive by the hour for working.
 - D. A wage is payment you receive to complete the work required of you.
 - E. A wage and a salary are the same.
2. What are sources of taxable income other than a wage and a salary?
 - A. Dividend
 - B. Interest
 - C. Rental income
 - D. Unemployment
 - E. Disability benefits
3. What are jobs children can do to earn money?
 - A. Running a lemonade stand
 - B. Doing yard work (raking leaves, shoveling snow, planting seeds)
 - C. Walking dogs
 - D. Babysitting (starting at age 11)
 - D. Delivering newspapers (usually starting at age 10 to 12, depending on the state)
4. What is a tax?
 - A. A user's fee
 - B. A federal, state, or local fee to pay for public services
 - C. A license fee
 - D. An administrative fee
 - E. A service fee
5. What is the difference between a sales tax and an income tax?
 - A. Only adults pay for sales and income tax.
 - B. A sales tax is a consumption tax paid when you buy a good or service.
 - C. An income tax is a tax based on earning money.
 - D. There is no difference between a sales and an income tax.
 - E. The federal government creates a sales tax.
6. What does the federal government use tax revenues to pay for?
 - A. Public schools
 - B. Medicare
 - C. Roads and highways
 - D. National parks
 - E. Military

Your Name: _____

Today's Date: _____