Solutions

Each answer shows the steps, then the **result**.

2.1

- a deficit is a single year's shortfall; the national debt is the accumulated total of all past deficits

2.2

- they add to it (increase it)

2.3

- higher interest costs, or a burden on future taxpayers (any one)

3.1 B

3.2 B

3.3

(a)

- $500 - 420 = \$80$ billion

(b)

- it adds $80 billion to the national debt