

Name(s):

Date:

A. After browsing the following websites, answer the following questions.



1. What is the difference between tax evasion and tax avoidance?

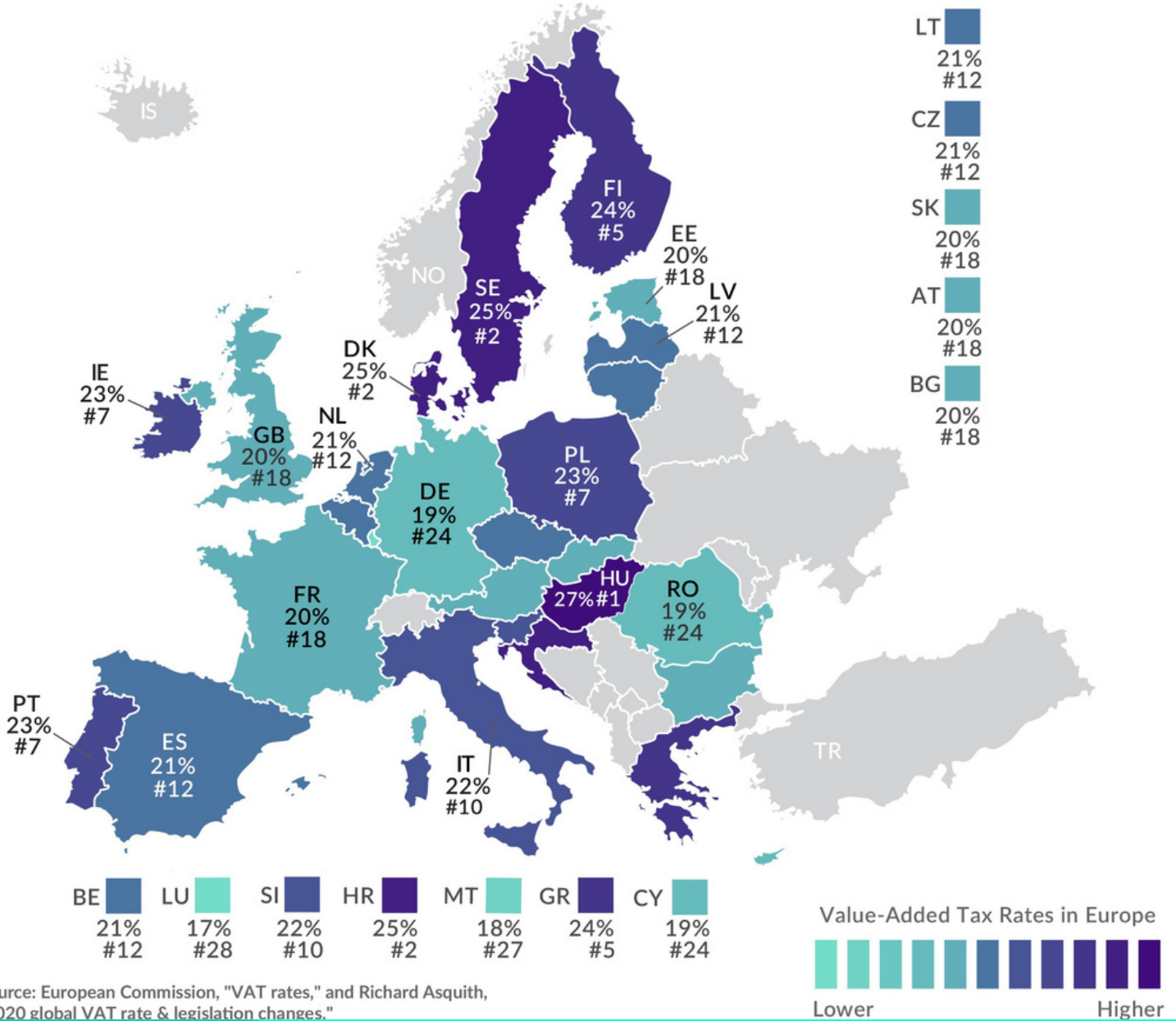
2. What tricks can be used to evade taxes?

3. Why is tax evasion considered a deeply anti-social act?

B. Study the following graph (1), which depicts the level of tax rates in Greece and various other European countries.

VAT Rates in Europe

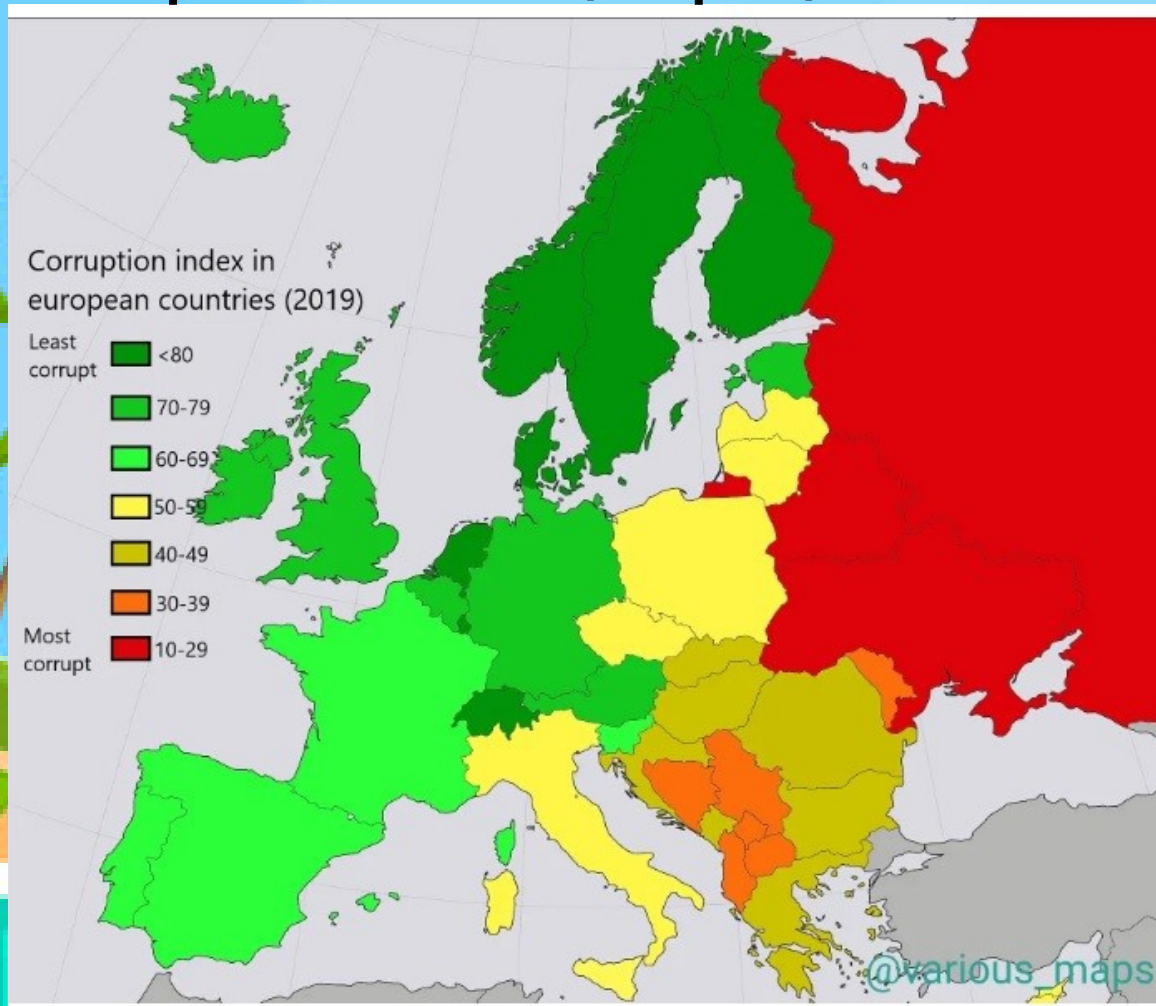
Value-Added Tax (VAT) Rates in European Union Countries, as of January 2020



Graph (1): Top individual income tax rates in Europe.

What are your conclusions?

C. Study the following graphs (2 & 3), which show the countries with the highest and lowest corruption rate (Graph 2) as well as the size of shadow economy in the various European countries (Graph 3).



Graph (2): Corruption perceptions index (2019) in the European Countries.

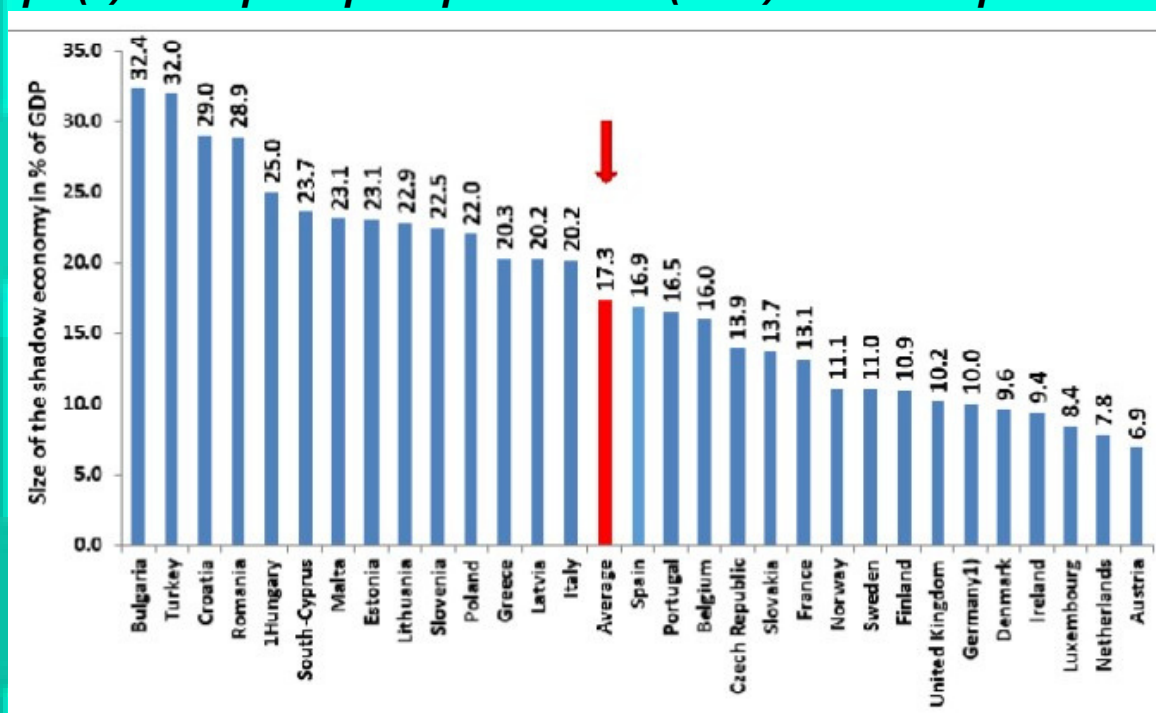


Figure 2. Size of the shadow economy of 31 European countries in 2021 (in % of off. GDP)
 Source: Own Calculations, March 2021, values for 2021 are projections.

Graph (3): Size of the shadow economy of 31 European countries in 2021.

1. Which are the five countries with the highest and which ones with the lowest corruption rate?

2. Which are the five countries with the highest percentage and which ones with the lowest percentage of shadow economy?

3. What are your conclusions?

4. How has corruption contributed to the lack of taxpayer compliance?

