Name _	Worksheet – Money and the Banking System
Period _	[Chapters 11 & 15] The Fed and Monetary Policy
	Barter economy
	Mutual "coincidence of wants"
<u>286 3. I</u>	Money -
Match	A. Medium of Exchange
	4. The new Sacagawea dollar coin will last over 20 years. B. Measure of Value
	5. Our money has been subject to very little inflation for 10 years. (Unit of Account) C. Store of Value
	6. Dentists take money for their services. 7. A Lynch student writes a check to pay for a new Corvette.
	9. You write a \$200 check for your prom dress.
	<u> </u>
	Commodity money
207 II. 288 12	Fiat money
	Specie
289 14.	How did the dollar get its name?
290 _	15. Will not rot.
	16. Can be divided into smaller units. B. Durahility
	17. Small and light in weight. C. Divisibility
	18. Last a long time.
	19. Easy to transfer. 20. Limited in supply.
290 _	La Transfer (Control of the Control
291 22.	What is Dineh Mohajer known for?
203 23	Wildcat banks -
	Greenbacks -
_	Gold Certificates -
301 26.	Bank Run
302 27.	In 1934, the FDIC insured customer deposits up to \$, but has since been
	increased to \$
	Deregulation
408 29.	Each of the Board of Governors is appointed by the toyear
400 30	terms and confirmed by the The FOMC is made up of members and makes decisions about the growth of the
1 09 30.	The rolle is made up of members and makes decisions about the growth of the times a year.
415 31.	Fractional Reserve System -
415 32.	Reserve requirement(RR) -
416 33.	Excess reserves(ER)
416 34.	Liabilities
416 35.	Assets
417 36.	Liquidity
41/3/.	Time deposits
419 38.	Easy money policy – Fed allows MS to and interest rates to, which the economy.
419 39.	Tight money policy – Fed the growth of the MS, which drives interest
	water which
	rates, which economic growth.
	The most popular monetary tool the Fed uses is
422 41.	

27 44. Prime rate - 27 45. Quantity theory of money - 28 46. Real interest rate - 29 47. M1 - 30 48. M2 - Ioney Creation Practice 9. What is the "potential" Total Money Supply(TMS) if Britney Spears deposits \$1,000(DD) in her open Bank and the RR is 25%? \$ [TMS = 1st DD of Britney x Multiplier] 00. What is the "potential" Total Money Supply(TMS) if Reese Witherspoon deposits \$100(DD) 10. What is the "potential" Total Money Supply(TMS) if Faith Hill deposits \$1,000(DD) 11. What is the "potential" Total Money Supply(TMS) if Faith Hill deposits \$1,000(DD) in her of this Kiss Bank and the RR is 40%? \$ [TMS = 1st DD of Faith x Multiplier] 12. Your bank has DD of 500,000. The RR is 50%. If RR and ER are equal, then TR are on the same of \$71,000 and DD are \$200,000. If the RR is 40%, TR are \$ 13. A bank has ER of \$71,000 and DD are \$200,000. If the RR is 40%, TR are \$ 14. No ER & RR are 50%; DD of \$100M is made in the Thunder Bank. MS is \$ M. ER increase be mean of the banking system is \$ M. Potential TMS is \$ M. 15. RR is 20%; a bank borrows \$50 M from the Fed. Its ER are increased by \$ M. 16. RR is 10%. A bank borrows \$100 M from the Fed; this one bank's ER are increased by m. 17. RR is 50%; Fed buys \$100 M of bonds from the PUBLIC. The MS is increased by m. 18. M. PMC is increased by \$ M. PMC is increased by \$ M. 19. TMS is increased by \$ M. PMC is increased by \$ M. 19. TMS is increased by \$ M. 19. T	424 43. Mo r	al suasion
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