

Name: \_\_\_\_\_

*Vocabulary Review*

_____ 1	Functions of Money	A	The ability to obtain goods or services before payment, and pay later
_____ 2	Credit	B	The medium of exchange, store of value and unit of account
_____ 3	Medium of Exchange	C	A broad range of business operations within the financial services sector
_____ 4	Monetary Policy	D	A government-issued currency that is not backed by a commodity such as gold
_____ 5	Fiat Money	E	A required payment to a local, state or national government
_____ 6	Federal Reserve System	F	A sum of money taken out of an account
_____ 7	Debit	G	Economic system characterized by private or corporate ownership of capital goods
_____ 8	Financial Institutions	H	Government owns all resources and makes all economic decisions
_____ 9	Free Enterprise System	I	Increase in the average price level of products
_____ 10	Revenue	J	interest rate that banks pay when they borrow money from the Fed
_____ 11	Communist	K	Intermediary instrument used to facilitate the sale, purchase, or trade of goods
_____ 12	Socialist	L	Set of actions to control a nation's money supply and achieve economic growth
_____ 13	Taxes	M	the % of deposits banks need to keep on hand
_____ 14	Tight Money Policy	N	The buying and selling of government bonds by the New York Fed
_____ 15	easy money policy	O	The central bank of the U.S. formulates and administers credit and monetary policy
_____ 16	Reserve Requirement	P	The Fed decreases the supply of money
_____ 17	Discount Rate	Q	The Fed increases the money supply
_____ 18	Open Market Operations	R	The income received by a government from taxes and other non-tax sources
_____ 19	Inflation	S	The state should own the systems of production and wealth
_____ 20	Aggregate Demand	T	The trade of goods or services without the use of money
_____ 21	Bartering	U	Total spending by consumers, business and government in the economy

What are the 3 tools the Feds have to control the money supply? (Hint, choose from above)

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\_\_\_\_\_ 25 How many District Banks in the Federal Reserve

A) 6

B) 8

C) 10

D) 12