

Economics
Money and Banking

Name: _____
Period: _____

1. Define: (page 249)
 - a. Money
 - b. Barter
 - c. Currency (page 252)

2. What are the three uses of money? Define each. (pg 249-251)
 - a.
Definition:

 - b.
Definition:

 - c.
Definition:

3. What are the six characteristics of money? (pg 252-253)
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.

4. Define: (pgs 254-255)
 - a. Commodity Money

 - b. Representative Money

 - c. Specie

 - d. Fiat Money

5. Define: (pgs 256-258)

- a. Bank

- b. National Bank

- c. Bank Run (also known as a Bank Panic)

Read pages 256-263 to provide a historical foundation for American Banks.

6. Explain the organization of America's Central Bank (the Federal reserve) Include the 4 italicized and bold items listed. (pg 260)

- a.

- b.

- c.

- d.

7. Define: (pgs 264-268)

- a. Money Supply

- b. Liquidity

- c. Demand Deposit

- d. Near Money

- e. Money Market Mutual Fund

- f. Fractional Reserve Banking

- g. Default

h. Mortgage

i. Credit Card

j. Interest

k. Principal

8. What is included in M1? (pg 264)

9. What is included in M2? (pg 265)

10. What are Certificates of Deposits (CDs)? (pg 266)