Name: Date: Per:

**The Fed and Monetary Policy Study Guide**

*Answer the following questions, use your notes and the textbooks to find the answers. Due on the day of your test!*

1. Who makes up The Federal Reserve?
2. How many Federal Reserve districts are there?
3. What is the name of the committee in the Fed? What is the role of that committee?
4. What are three ways that the Fed can affect the money supply? Which is used most often?
5. What are excess reserves? How do they affect the money supply?
6. What is money and what are its functions?
7. What is the Required Reserve Ratio? How do you calculate the RRR? Practice with the following: (A commercial bank has checkable deposits of $400,000, and the required reserve ratio is 10%. The required reserves of the bank are?)
8. Summarize the following economic theories and provide the names of Economists who belong to these groups:
	1. Classical
	2. Keynesian
	3. Supply-side
9. What is the difference between fiscal and monetary policy?
10. What is the difference between a Deficit and a Debt?

Define the following terms:

1. Open Market Operations
2. The Discount Rate
3. The Money Multiplier
4. The Crowding-Out Effect
5. Expansions and Contractions
6. U.S. Bond
7. Treasury Bill
8. The Federal Reserve
9. Surplus/Deficit