**Federal Reserve Bank Questions:**

1.At the beginning of our nation, our currency was backed by what?

2. What was the Fed’s original job?

3. What is inflation? How does inflation affect spending?

4. What is a recession?  What does the Fed do to interest rates during a recession?

5. What is the Task of the Fed? How many Federal Reserve Banks are there throughout the country? Who controls interest rates and the money supply?

6. What is monetary supply? How can the Fed encourage spending and economic growth?

7. How does the Fed watch out for public interests?

8. The Fed maintains the checking account of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

9. What is a reserve requirement?  How does this safeguard banks?

10. (State Test Questions!) What is the DISCOUNT RATE?

       Lower discount rates mean->

       Higher discount rates mean-->