

Quiz 6

Name:

1. True or false (2 points):

FOMC (Federal Open Market Committee) decisions are largely influenced by the Congress.

Your answer:

2. Short Answer (8 points):

- What is a government security?
- Name one type of a government security.
- Why does a government issue securities?
- Provide an example of one possible economic benefit and one possible economic loss that could result from issuing government securities.

Your answer:

3. Short Answer (10 points):

- Name one of the past or present chairmans of the Federal Reserve:
- How many regional Federal Reserve Banks are there?
- What is the main policy-making group in the Federal Reserve System (acronym is fine)?
- State the two main goals of the Fed (should be two words each):
- Do all depository institutions in the U.S. have to be members of the Federal Reserve System?
- Briefly* (in one sentence or less) describe how a depository institution can become a member of the Fed.