

## The Federal Reserve System

Use the Federal Reserve System website that we talked about in class:

[www.federalreserve.gov/faqs/about\\_12594.htm](http://www.federalreserve.gov/faqs/about_12594.htm)

Do the questions in numerical order as there are links associated with certain questions.

Student Name: \_\_\_\_\_ Date: \_\_\_\_\_

1. The Federal Reserve System, often referred to as the Federal Reserve or simply "the \_\_\_\_\_," is the \_\_\_\_\_ bank of the United States.
2. It was created by the Congress to provide the nation with a safer, more \_\_\_\_\_, and more \_\_\_\_\_ monetary and financial system.
3. Today, the Federal Reserve's responsibilities fall into \_\_\_\_\_ general areas.
  - a. Conducting the nation's monetary policy by influencing \_\_\_\_\_ and \_\_\_\_\_ conditions in the economy in pursuit of full employment and stable prices.
  - b. Supervising and \_\_\_\_\_ banks and other important financial institutions to ensure the safety and \_\_\_\_\_ of the nation's banking and financial system and to protect the credit rights of consumers.
  - c. Maintaining the \_\_\_\_\_ of the financial system and containing systemic risk that may arise in \_\_\_\_\_ markets.
  - d. Providing certain financial services to the \_\_\_\_\_, U.S. financial institutions, and foreign official \_\_\_\_\_, and playing a major role in operating and \_\_\_\_\_ the nation's payments systems.
4. While on this site, go to the tab entitled "About the Fed", then to "The Federal Reserve System", then "Districts and Banks", and you will see a map of the 12 Federal Reserve Districts in the United States. We (Colorado) have our federal reserve bank in the city of \_\_\_\_\_. We are the \_\_\_\_\_ (number) federal reserve district.
5. If we moved to southern Florida, our federal Reserve District would be number \_\_\_\_\_ and the city and state the bank is in would be \_\_\_\_\_, \_\_\_\_\_.
6. Read below the map to find what bank serves Puerto Rico and the U.S. Virgin Islands \_\_\_\_\_.

7. On the side of the map, click on the city for Colorado's Federal Reserve Bank and it will take you to their specific website. Write one thing here (doesn't need to be in a complete sentence) that you found on their website: \_\_\_\_\_

8. Go back to main site (website listed at the top of this quiz). On the right side click "About the Fed" and then "Who Owns the Federal Reserve?" ***In your own words***, answer this question: "Who Owns the Federal Reserve?"

\_\_\_\_\_. It derives its authority from the \_\_\_\_\_ of the United States. Its monetary policy decisions \_\_\_\_\_ ("do" or "do not have" ) to be approved by the President or anyone else in the executive or legislative branches of government. However, the Federal Reserve is subject to oversight by the \_\_\_\_\_, which often reviews the Federal Reserve's activities and can alter its responsibilities by statute.

9. Click on your back arrow once. Again, at the right, click on "Banking and the Financial System" and go down and click on "Why Does the Federal Reserve lend money to banks?" (scroll down the page for this--the wording must be exact!) The Federal Reserve lends to banks and other depository institutions--so-called " \_\_\_\_\_ " --to address temporary problems they may have in obtaining funding. Those problems can range from "garden variety" issues, such as funding pressures associated with unexpected changes in a bank's loans and deposits, to extraordinary events, such as those that occurred after the \_\_\_\_\_, terrorist attacks or during the financial crisis in \_\_\_\_\_ and \_\_\_\_\_. In all of these cases, the Federal Reserve provides loans when \_\_\_\_\_ market funding cannot meet banks' funding needs.

10. At the right, click "Currency and Coin". Under "How does the Federal Reserve Board determine how much currency to order each year?", answer the following questions. We decide how much of each denomination to order based on how much \_\_\_\_\_ we expect; how much \_\_\_\_\_ we expect that Reserve Banks will destroy because the notes are unfit to circulate; and other factors, such as inventory \_\_\_\_\_ or the issuance of a \_\_\_\_\_ design.

11. Put in your earbuds and listen to the video about "How does the Federal Reserve Board determine how much currency to order each year?" If the money is unfit, they \_\_\_\_\_ it. It is the \_\_\_\_\_ rate and \_\_\_\_\_ rate that drive the overall order.

12. Go back to the where you were before the You Tube video by hitting the back arrow.

