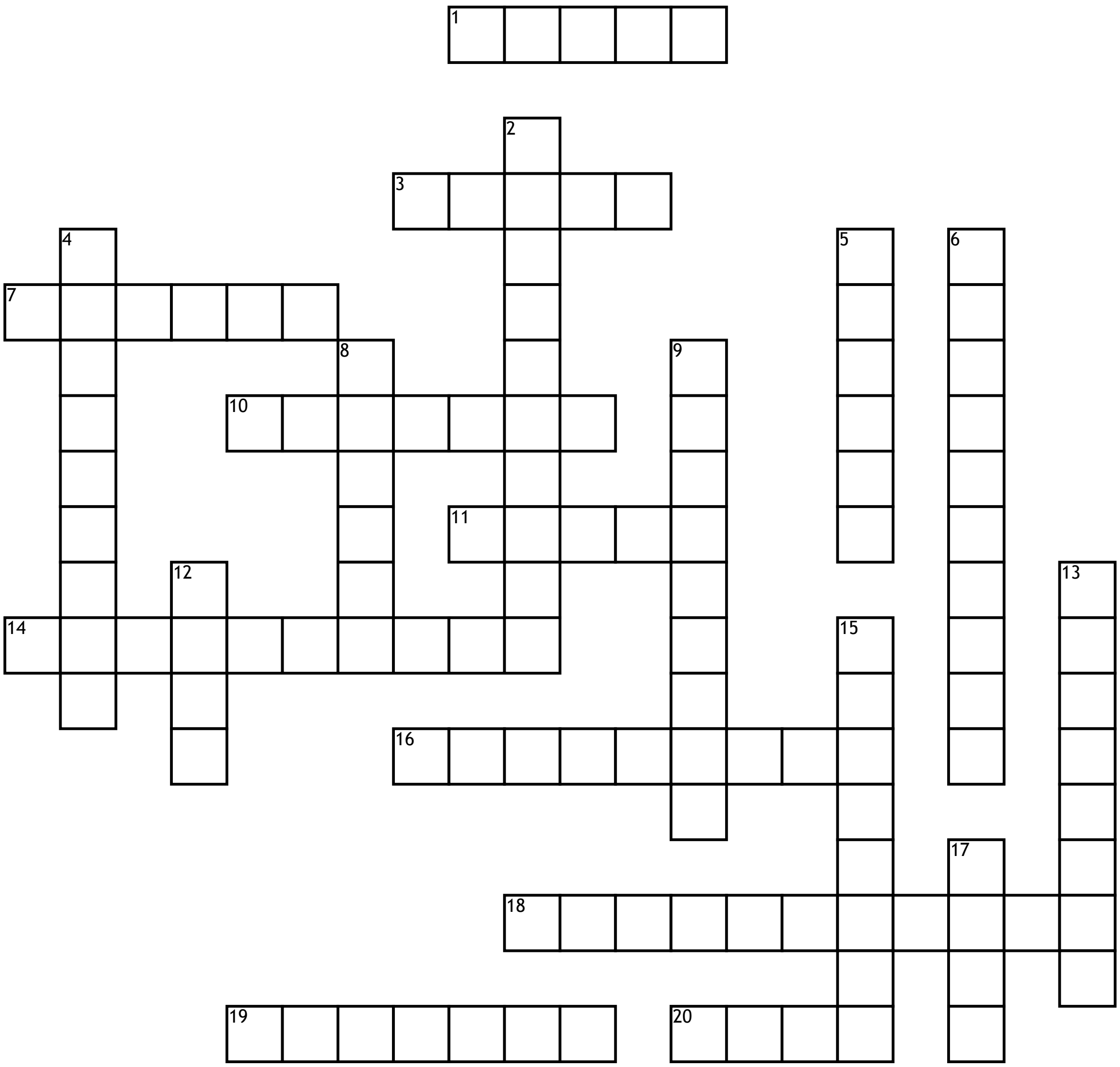
Name: ____ Date: ______

Economics Test V Review



Across

1. If the economy is slowing down, the Fed can ________________ the reserve requirement

3. The Federal Reserve regulates the money supply so there is not too much ____________ in the economy.

7. The Federal Reserve is called the "lender of the last _____________."

10. Congress established the Federal Reserve System in 1913 by passing the ________________ Reserve Act

11. Monetary policy that decreases the money supply is called _____________ money policy.

14. Money is created by ____________________ money.

16. Too much money in the economy leads to ________________

18. Regulating the reserves can control the amount of money in ____________________

19. The amount of deposits that a bank is required to keep on hand are called

20. When facing a long recession the Fed will introduce a _____________ money policy.

Down

2. ______________ the reserve requirement reduces the money banks can loan

4. As interest rates increase, the demand for cash __________________.

5. Lowering the discount rate makes it cheaper for banks to ____________________

6. _______________________ operations is the monetary policy most used to change the money supply

8. Laissez Faire economists believe that whatever happens to the business cycle that the economy will ____________ itself quickly

9. The Federal Reserve Act divided the United States into twelve _____________________.

12. Key economic decisions about interest rates and money supply are make by

13. What is the rate the federal reserve charges to loan money called?

15. The actions the federal reserve takes to influence the economy are called ______________ policy

17. When the interest rate is _________, people hold on to their money.