ECONOMICS 11

**Unit 5: Banking, Monetary Policy, & Economic Indicators**

Chapters 11.3, 12 and 14 along with supplemental materials

**PART I: LEARNING TARGETS**

**STUDENTS CAN**:

* + Identify the different types of financial institutions.
  + Describe the structure and function of the Federal Reserve System.
  + Understand how banks operate.
  + Understand how the monetary system grows (monetary policy).
  + Explain how monetary policy affects interest rates.
  + Understand what economic indicators are and what they measure.

**ESSENTIAL QUESTIONS** needed to help meet learning targets.

* + Why are there different types of banking institutions?
  + Why was the Federal Reserve system created?
  + How do interest rates influence people’s decisions to spend/save?
  + How do economic indicators work, and what do they assess?

**KNOWLEDGE AND SKILLS** necessary to meet learning targets.

Vocabulary:

**Ch. 11-3**

dual banking

Federal Reserve System

bank run

Federal Deposit Insurance Corporation (FDIC)

mutual savings bank

savings & loan banks (S&L’s)

**Ch. 12-1**

member banks

Federal Open Market Committee (FOMC)

holding companies

truth in lending laws

**Ch. 12-2**

monetary policy

fractional reserve system

reserve requirement

liabilities

**12-2 cont’d 14-1**

assets gross domestic product

open market operations intermediate products

discount rate secondhand sales

moral suasion **14-2**

gross national product

**Ch. 12-3** disposable personal income

prime rate **14-3**

monetize the debtconsumer price index (CPI)

**Additional Terms** producer price index (PPI)

medium of exchange

store of value

recession

inflation

Utilize tools of monetary policy

Project – Federal Reserve

Unit Test

**WORTH BEING FAMILIAR WITH**

Development of the national banking system.

Role of the FDIC

Bank Failures

History of Money / Medium of Exchange

Analyze the national debt in relation to its impact on monetary

policy/decisions.