



The Federal Reserve Bank

Part I

1. In response to these runs on banks, what is one function of the Federal Reserve Bank?

2. How many Federal Reserve Banks are there across the country? _____

Where is the Federal Reserve's main office located? _____

What district are we in? _____

Where is our branches main bank located? _____

3. Why did the lemonade stand owner raise prices?

What happens when everyone in the country has too much money to spend? _____

What happens to prices in this situation? _____

What happens when there is not enough money in the system to spend? _____

What happens to prices in this situation? _____

4. The Fed manages the flow of money spending in our country. How does it do this?

When prices are high: _____

When prices are low: _____

5. What are the two main goals of The Fed in our economy?

Part II

1. The Federal Reserve Banks and their branches perform as the *banker's bank*.

Explain what it means to be a "*banker's bank*".

2. The Federal Reserve Bank's main office is located in _____.

What is the name of the current chairman of the Fed?

3. What does the Fed do with old money? _____

4. What do branch banks do if they have too much money? _____

5. What do branch banks do if they need money? _____

6. What is the Fed's most important role?