

Can You Answer These in Plain English? – Answer Key

1. Who created the Federal Reserve System? *Congress, by passing the Federal Reserve Act in 1913.*
2. Name the three parts of the Federal Reserve System. *The Board of Governors, the twelve regional Federal Reserve Banks, and the Federal Open Market Committee.*
3. What is the name of the Fed's chief monetary policymaking body? *The Federal Open Market Committee.*
4. How many districts make up the Federal Reserve System? *Twelve.*
5. In which Federal Reserve district do you live? *This can be checked on page 8.*
6. What are the three responsibilities of the Federal Reserve System? *Conducting monetary policy, providing financial services, and supervising and regulating banks.*
7. Name three activities you might see at Reserve Banks. *Data gathering, report writing, currency processing, check processing, seminars, tours, publication production.*
8. What is the Fed's most frequently used tool for conducting monetary policy? *Open market operations.*
9. How does banking supervision differ from banking regulation? *Supervision entails the creation of rules for banks to follow. Regulation is the enforcement of those rules.*
10. Name three financial services the Fed offers. *Banker for other banks, banker for the U.S. government, processing and storing currency and coins, check processing, electronic funds payment services.*