Can You Answer These in Plain English? – Answer Key


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.