**Name:**

**Date:**

**Unit 9**

**Banking Procedures and Services**

VOCABULARY CHECK

**Fill In The Blank Questions:** *Select the correct answerat the bottom of the page for each of the following blanks.*

**1.** Financial institutions that accept deposits and provide traditional checking and savings accounts are called (**depository institutions**).

**2.** Allstate Insurance is an example of a (**nondepository institution**).

**3.** Natasha went to the (**Automatic Teller Machine (ATM)**) to get $40 in cash for the girls’ afternoon of movie and lunch.

**4.** Tom opened a (**checking account**) so that he wouldn’t have to carry as much cash, and he had his favorite

football team emblem put on his (**checks**).

**5.** Vera always writes in her (**check register**) the amount she withdraws from the ATM.

**6.** Taundra wanted to earn interest on her checking account so she opened a (**Negotiable order of withdrawal (NOW) accounts**).

**7.** Matt used his (**debit card**) to purchase gas for the trip but forgot to note it in his check register.

**8.** Jonas’s parents keep a copy of their will in a (**Safety deposit box**) at the bank.

**9.** The used car dealer required Holly to pay by (**Cashier’s check**) if she wanted to take the car immediately without waiting for her personal check to clear the bank.

**10.** Jeff used a (**Money order**) from the U.S. Post Office to pay for the Xbox he purchased on eBay.

**11.** Band members were told to carry (**Travelers checks**) for their European trip.

**12.** Sasha set up her car payments on (**bank draft**) to be paid automatically. This is an example of (**electronic funds transfer**).

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**13.** The (**Federal Deposit Insurance Corporation (FDIC)**) insures depositors’ money in banks while (**National Credit Union Savings Insurance Fund (NCUSIF)**) insures depositors’ money in credit unions.

**14.** Jordan belonged to a (**credit union**), which offered a higher interest rate for his savings account than other local banks.

**15.** The formal name for the central bank of the United States is the (**Federal Reserve System**).

**16.** (**Price level stability**)is one of the main goals of Fed policy.

**17.** When the overall level of prices is increasing it is known as (**inflation**).

**18.** The primary tool to fight inflation and promote a healthy economy is (**monetary policy**).

**19.** A dollar bill and quarters are examples of (**fiat money**).

**20.** Occasionally the Fed will change the interest rate it charges to banks when it loans them

money. This interest rate is known as the (**Discount rate**).

**21.** It’s not a good idea to keep your **(Personal identification number (PIN))** in your wallet.

**~~Automatic Teller Machine (ATM)~~; ~~Bank draft~~; ~~Cashier’s check~~; ~~Check~~; ~~Check register~~;**

**~~Checking account~~; ~~Credit union~~; ~~Debit card~~; ~~Depository institutions~~; ~~Discount rate~~;**

**~~Electronic funds transfer~~; ~~Federal Deposit Insurance Corporation (FDIC)~~;**

**~~Federal Reserve System~~; ~~Fiat money~~; ~~Inflation~~; ~~Monetary policy~~; ~~Money orders~~;**

**~~National Credit Union Savings Insurance Fund (NCUSIF)~~;**

**~~Negotiable order of withdrawal (NOW) accounts~~; ~~Nondepository institutions~~;**

**~~Personal identification number (PIN)~~; ~~Price level stability~~; ~~Safety deposit boxes~~;**

**~~Travelers checks~~**

**Unit 9**

**Banking Procedures and Services**

CHECK YOUR KNOWLEDGE

**Multiple Choice Questions** *Highlight the correct answer for each of the following.*

**1.** Depository institutions include all of the following except \_\_\_\_\_\_\_\_\_\_.

a. banks

b. credit unions

c. life insurance companies

d. savings banks

**2.** A \_\_\_\_\_\_\_\_\_\_ is a written order instructing your bank to pay money from your account to

another party.

a. check

b. ATM

c. debit card

d. cash withdrawal

**3.** The U.S. Postal Service issues \_\_\_\_\_\_\_\_\_\_ that function similar to cashier’s checks.

a. checks

b. money orders

c. travelers checks

d. CDs

**4.** Nondepository institutions include \_\_\_\_\_\_\_\_\_\_.

a. banks

b. life insurance companies

c. credit unions

d. savings banks

**5.** Banks provide a number of services including all of the following except \_\_\_\_\_\_\_\_\_\_.

a. payday lending

b. safety deposit boxes

c. checking accounts

d. cashier’s checks

**6.** Banks have insurance on deposits through the \_\_\_\_\_\_\_\_\_\_.

a. National Credit Union Insurance Fund

b. Federal Deposit Insurance Corporation

c. State Depositor Reconciliation Fund

d. Securities Insurance Fund

**7.** The central bank of the United States is called the \_\_\_\_\_\_\_\_\_\_.

a. National U.S. Bank

b. Federal Reserve

c. Central Banking Authority

d. Monetary Bank of the United States

**8.** Money that has value because the government says it does is \_\_\_\_\_\_\_\_\_\_.

a. gold

b. silver

c. state

d. fiat money

**9.** The Federal Reserve uses \_\_\_\_\_\_\_\_\_\_ to fight inflation and promote economic growth.

a. monetary policy

b. fiscal policy

c. legislation

d. legal action

**10.** In order to reduce interest rates the Fed will \_\_\_\_\_\_\_\_\_\_ the money supply.

a. increase

b. decrease

c. stabilize

d. maintain