

ACTIVITY 24.1**Vocab Notetaker**

Use information from the visuals and from class discussion to define these terms in your own words.

Bank reserves**Required reserves****Excess reserves****Interest****Interest rate****Federal funds market****Federal funds rate****Federal Reserve System**

ACTIVITY 24.1 (Continued)

After the simulation, use information from the visuals and from class discussion to define these terms in your own words.

Monetary policy

Discount rate

Open market operations

Reserve requirements

Interest on reserves

Central bank

Expansionary monetary policy

Contractionary monetary policy

Dual mandate

Price stability

Maximum employment

ACTIVITY 24.2

Treasurer's Balance Sheet

Investor Balance Sheet	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial			
End of Round 1			
End of Round 2			

Bank Balance Sheet	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial			
End of Round 1			
End of Round 2			

Federal Reserve Portfolio Tracker	Government Securities
Initial	
End of Round 1	
End of Round 2	

ACTIVITY 24.3

Government Securities (Copy on RED Paper)

\$10,000 GOVERNMENT SECURITY
\$10,000 GOVERNMENT SECURITY
\$10,000 GOVERNMENT SECURITY
\$10,000 GOVERNMENT SECURITY
\$10,000 GOVERNMENT SECURITY
\$10,000 GOVERNMENT SECURITY

ACTIVITY 24.4

Investor Balance Sheets

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

	Assets (securities)	Assets (deposits)	Total Assets (securities + deposits)
Initial	\$10,000	\$0	\$10,000
End of Round 1			
End of Round 2			

ACTIVITY 24.5

Bank Balance Sheets

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

	Assets (money/reserves)	Liabilities (deposits)	Net Assets (assets – liabilities)
Initial	\$0	\$0	\$0
End of Round 1			
End of Round 2			

ACTIVITY 24.6
Deposit Slips (Copy on YELLOW paper)

\$10,000 DEPOSIT	\$10,000 DEPOSIT
\$10,000 DEPOSIT	\$10,000 DEPOSIT
\$10,000 DEPOSIT	\$10,000 DEPOSIT
\$10,000 DEPOSIT	\$10,000 DEPOSIT
\$10,000 DEPOSIT	\$10,000 DEPOSIT
\$10,000 DEPOSIT	\$10,000 DEPOSIT

ACTIVITY 24.7

Money/Reserves (Copy on GREEN paper)

\$10,000 MONEY/BANK RESERVES
\$10,000 MONEY/BANK RESERVES
\$10,000 MONEY/BANK RESERVES
\$10,000 MONEY/BANK RESERVES
\$10,000 MONEY/BANK RESERVES
\$10,000 MONEY/BANK RESERVES

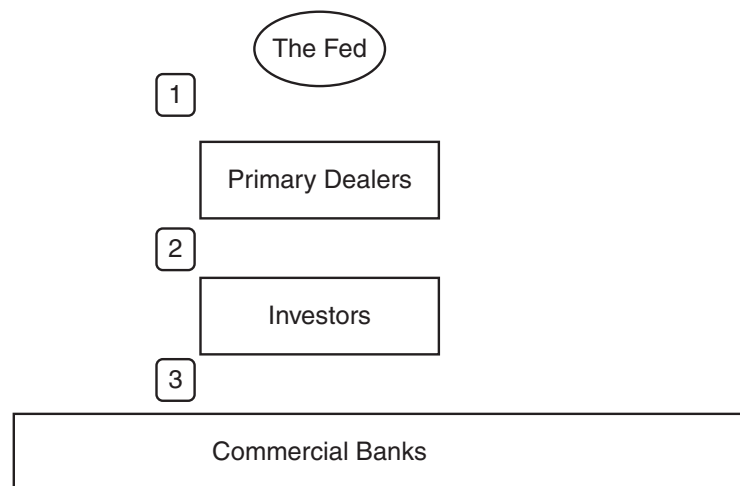
ACTIVITY 24.8

Federal Reserve Portfolio Tracker

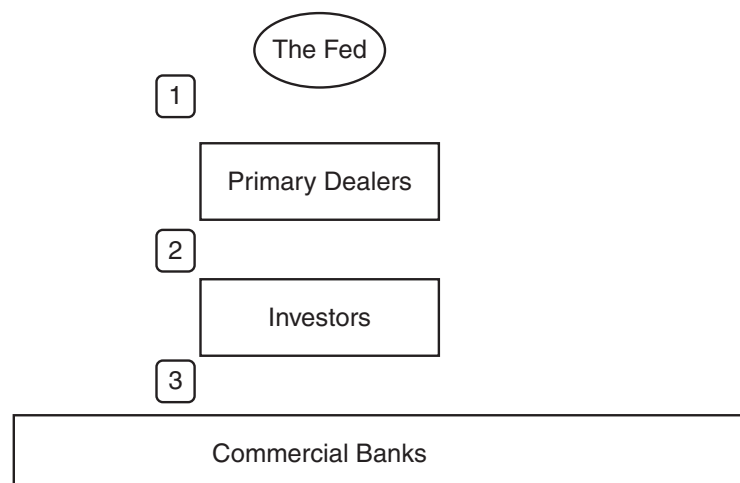
	Government Securities
Initial	\$0
End of Round 1	
End of Round 2	

ACTIVITY 24.9**The Flow of Money/Reserves**

Beside each number, use color pencils to draw arrows that illustrate the flow of money reserves (green) and government securities (red) when the Federal Reserve uses open market operations for expansionary monetary policy.

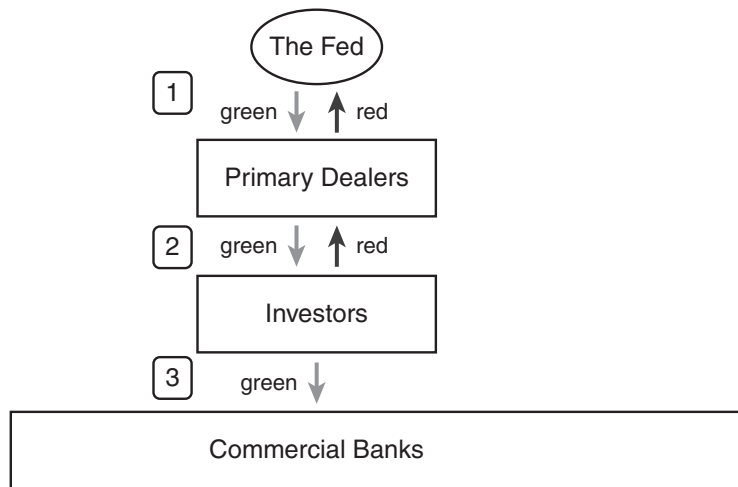


Use colored pencils to show the flow of money reserves (green) and government securities (red) when the Federal Reserve uses open market operations for contractionary monetary policy.



ACTIVITY 24.9**The Flow of Money/Reserves (KEY)**

Beside each number, use colored pencils to draw arrows illustrating the flow of money reserves (green) and government securities (red) when the Federal Reserve uses open market operations for expansionary monetary policy.



Use colored pencils to show the flow of money reserves (green) and government securities (red) when the Federal Reserve uses open market operations for contractionary monetary policy.

