| G | Question Type | Text Type | Points | Question | A | Choice 1 | Choice 2 | Choice 3 | Choice 4 | Feedback |
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| 1 - Security definition | MC | html | 1 | Which of the following describes the difference between an asset and a security? | 1 | An asset is anything of value owned by an individual or firm, and a security is a financial asset that is tradeable on the secondary market. | An asset is something of value that is owned and a security is a debt that needs to be paid back. | Both are something that is of value owned by an individual or firm, but an asset is liquid and a security is not liquid. | An asset is a physical item of value such as a building while a security is a financial item of value. | An asset is anything of value owned by an individual or firm. A security is a type of asset that is tradeable on financial markets. |
| 1 - Security definition | MC | html | 1 | Which of the following is a financial security? | 4 | Mortgage loan | House | Money | Stock in a firm | A security is a financial asset that can be traded in secondary markets. Stocks are partial ownerships of firms that can be traded on secondary markets. |
| 1 - Security definition | MC | html | 1 | What does securitization mean? | 3 | The process of making an individual for firm more secure. | The process of obtaining insurance for an individual or firm. | The process of converting a non-tradeable asset, such as a business loan, to a tradeable financial asset that can be sold on secondary financial markets. | The process of selling an asset. | Securitization is the process of converting an asset to a security. A security is type of asset that is tradeable on financial markets. |
| 2 - Financial intermediary function | MC | html | 1 | What is one function that financial intermediaries have in the economy? | 1 | Channel funds from savers to borrowers with productive uses for the funds. | Pay interest to borrowers to encourage spending and investment. | Print money when the Federal Reserve increases the money supply. | Be an intermediary between banks and individuals. | Financial intermediaries, such as banks, collect money from individuals and firms that deposit saving and loan them out to other individuals and firms that have a use for the funds and ability to repay the loans. |
| 2 - Financial intermediary function | MC | html | 1 | What is one function that financial intermediaries have in the economy? | 1 | Provide loans to individuals and businesses. | Implement monetary policy as directed by the Federal Reserve. | Convert assets to money supply. | Purchase physical assets such as houses and cars for individuals that cannot afford them. | Financial intermediaries collect money from individuals and firms that deposit saving and loan them out to other individuals and firms that have a use for the funds and ability to repay the loans. |
| 3 - Primary vs Secondary | MC | html | 1 | What is the definition of a primary market? | 1 | Financial market in which stocks, bonds, and other securities are sold for the first time | The primary place where financial traders sell stocks, bonds, and other financial assets | Any financial market where investors buy and sell existing securities | The place where people buy physical assets such as buildings and houses. | A primary market is a financial market in which stocks, bonds, and other securities are sold for the first time. A secondary market is where financial investors buy and sell existing securities that have already been sold on primary markets. |
| 3 - Primary vs Secondary | MC | html | 1 | What is the definition of a secondary market? | 1 | Any financial market where investors buy and sell existing securities | A financial market where loans are sold after the borrowers have defaulted | The place where individuals get loans if they cannot get loans from a bank. | The market that occurs after normal business hours. | A primary market is a financial market in which stocks, bonds, and other securities are sold for the first time. A secondary market is where financial investors buy and sell existing securities that have already been sold on primary markets. |
| 3 - Primary vs Secondary | MC | html | 1 | An initial public offering (IPO) of stock in a firm would be sold on what type of market? | 1 | Primary market | Secondary market | Bond market | Insurance market | An inital public offering is the first time a firm sells stock in the company. This is sold in a primary market. A primary market is a financial market securities are sold for the first time. A secondary market is where financial investors buy and sell existing securities that have already been sold on primary markets. |
| 4 - Central bank definition | MC | html | 1 | Which of the following is the central bank of the United States? | 1 | Federal Reserve | Securities and exchange commission | Federal Deposit and Insurance Corporation | U.S. Treasury | The Federal Reserve is the central bank of the United States. A central bank is a governing body that manages the supply of money in the economy in order to achieve macroeconomic goals. |
| 4 - Central bank definition | MC | html | 1 | Which of the following is the definition of a central bank? | 1 | A central bank is a governing body that manages the supply of money in the economy in order to achieve macroeconomic goals. | A central bank enforces securities laws in order to protect financial investors. | A central bank is the largest bank in an economy that is too big to fail. | A central bank is an intermediary between businesses and investors to buy and sell stocks, bonds, and other financial securities. | The Federal Reserve is the central bank of the United States. A central bank is a governing body that manages the supply of money in the economy in order to achieve macroeconomic goals. |
| 4 - Central bank definition | MC | html | 1 | Which of the following institutions is a governing body that manages the supply of money in the economy in order to achieve macroeconomic goals. | 1 | Central bank | Treasury | New York Stock Exchange | Congress | The Federal Reserve is the central bank of the United States. A central bank is a governing body that manages the supply of money in the economy in order to achieve macroeconomic goals. |
| 5 - Liquidity | MC | html | 1 | Which of the following assets is the \*most\* liquid? | 1 | 30-Day U.S. Treasury bill | Factory | Municipal swimming pool | Mortgage | Liquidity is the ease in which an asset can be converted for money. U.S. Treasury bills are highly traded financial securities and can quickly be converted to money. A municipal swimming pools would be pretty hard to sell quickly. |
| 5 - Liquidity | MC | html | 1 | Which of the following assets is the \*least\* liquid? | 3 | 30-Day U.S. Treasury bill | Stock in a firm | Municipal swimming pool | Mortgage | Liquidity is the ease in which an asset can be converted for money. U.S. Treasury bills are highly traded financial securities and can quickly be converted to money. Municipal swimming pools would be much harder to sell quickly than all the others. |
| 5 - Liquidity | MC | html | 1 | What is the definition of liquidity | 1 | The ease in which a financial asset can be exchanged for money | The level of risk associated with a financial security | How easily a financial security can melt | The degree to which an investment portfolio is diversified | Liquidity is the ease in which an asset can be converted for money. |
| 6 - Fiat vs Commodity money | MC | html | 1 | What is the definition of commodity money? | 1 | An item used as a medium of exchange that has value indepenent of its use for money | A currency that is sold on commodity markets | Any currency that can be traded for commodities | A medium of exchange that does not have an inherent value. | A commodity money is an item used as a medium of exchange that has value indepenent of its use for money. Fiat money is a medium of exchange that does not an inherent value outside its use as money. |
| 6 - Fiat vs Commodity money | MC | html | 1 | What is the definition of fiat money? | 1 | A medium of exchange that does not an inherent value outside its use as money | An item used as a medium of exchange that has value indepenent of its use for money | A secondary currency that is not the main currency of a country | A virtual currency such as bitcoin | A commodity money is an item used as a medium of exchange that has value indepenent of its use for money. Fiat money is a medium of exchange that does not an inherent value outside its use as money. |
| 6 - Fiat vs Commodity money | MC | html | 1 | What is a medium of exchange that does not have an inherent value outside its use to facilitate exchange of goods, services, and fianancial assets. | 1 | Fiat money | Commodity money | Gold | Bonds | A commodity money is an item used as a medium of exchange that has value indepenent of its use for money. Fiat money is a medium of exchange that does not an inherent value outside its use as money. |
| 7 - M1 money supply | MC | html | 1 | Which of the following is included in the M1 money supply? | 1 | Balances in checking accounts at commercial banks | Balances in time deposits, such as Certificates of Deposits (CDs) | Credit cards | Foreign currency | M1 money supply includes currency and demand deposits including deposits in checking and savings accounts |
| 7 - M1 money supply | MC | html | 1 | Which of the following is \*not\* included in the M1 money supply? | 4 | Savings account balances | Checking account balances | Physical currency such as coins and paper bills | Balances in time deposits, such as Certificates of Deposits (CDs) | M1 money supply includes currency and demand deposits including deposits in checking and savings accounts. |
| 7 - M1 money supply | MC | html | 1 | What measure of money supply includes currency and demand deposits including deposits in checking and savings accounts? | 1 | M1 Money Supply | M2 Money Supply | M3 Money Supply | M4 Money Supply | M1 money supply includes currency and demand deposits including deposits in checking and savings accounts. |
| 8 - M2 money supply | MC | html | 1 | Which of the following is included in the M2 money supply, but \*not\* M1 money supply? | 1 | Balances in time deposits, such as Certificates of Deposits (CDs) | Foreign currency | Savings account deposits | Physical currency such as coins and paper bills | M2 contains everything in M1 plus time deposits such as Certificates of Deposits (CDs). |
| 8 - M2 money supply | MC | html | 1 | Which of the following is \*not\* included in the M2 money supply? | 3 | Savings account balances | Checking account balances | Virtual currencies such as bitcoin | Balances in time deposits, such as Certificates of Deposits (CDs) | M1 money supply includes currency and demand deposits including deposits in checking and savings accounts. M2 contains everything in M1 plus time deposits such as Certificates of Deposits (CDs). |
| 8 - M2 money supply | MC | html | 1 | What distinguishes M1 money supply from M2 money supply | 1 | M1 money can be used as an immediate means of payment and M2 can be converted to a means of payment. | M1 money supply includes all of M2 plus other items | M2 money supply includes stocks and bonds and M1 does not | Nothing. They are the same thing. | M1 money supply includes currency and demand deposits including deposits in checking and savings accounts. M2 contains everything in M1 plus time deposits such as Certificates of Deposits (CDs). |
| 9 - Legal tender | MC | html | 1 | Which of the following must be true for a currency to be legal tender? | 1 | The government accepts the currency for taxes and payments paid to the government | Individuals and businesses are obligated to accept the currency for all debts, public and private. | The government backs the currency with something of value, such as silver or gold. | The currency must serve as a store of value. | Legal tender implies that the government recognizes, but does not require, the currency to be generally acceptable for all payments. The government also accepts the currency for taxes and payments paid to the government. |
| 9 - Legal tender | MC | html | 1 | Which of the following is true for a currency to be legal tender? | 1 | The government recognizes, but does not necessarily require, that the currency to be generally acceptable between individuals, businesses, and government organizations, for all payments. | The currency is a fiat currency | The currency can serve as a unit of account | The currency cannot be a digital currency, such as Bitcoin. | Legal tender implies that the government recognizes, but does not require, the currency to be generally acceptable for all payments. The government also accepts the currency for taxes and payments paid to the government. There are two countries in the world that recognize Bitcoin as a legal tender. |
| 10 - Money function | MC | html | 1 | What function does money serve that is not well served by bartering for goods and services? | 1 | Money provides a unit of account, a way of measuring unique values and prices for each good or service. | Money increases transaction costs that can make banks and financial intermediaries profitable. | Only money can be legally used to trade goods and services between people. | Money can be used for borrowing, but bartering with goods and services cannot. | Money is unique in that it provides a common unit of account, a way of measuring unique values and prices for each good or service. |
| 10 - Money function | MC | html | 1 | What function does money serve that is not well served by bartering for goods and services? | 1 | Money reduces transaction costs for exchange, reducing the burden of cost and time to find sellers that are also interested in buying or goods or services. | Money can be used for legal trading, where bartering is typically not legal. | Money can be used for securitization, making items of value tradeable. | Money increases in value, but goods bartered between traders does not. | Money reduces transaction costs for exchange, reducing the burden of cost and time to find sellers that are also interested in buying or goods or services. |