

THE CORE-BITCOIN DIPLOMA 2025

CHAPTER 5 QUIZZES (COHORT 7)

* Indicates required question

1. **What historical event ended the redeemability of dollars for gold? ***

Mark only one oval.

- ☐ Executive Order 6102
- ☐ Nixon Shock
- ☐ Bretton Woods Agreement
- ☐ Creation of the Federal Reserve

2. **What happened in 1933 regarding citizens' gold? ***

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- ☐ Citizens were required to surrender gold
- ☐ Citizens were encouraged to sell gold
- ☐ Citizens received gold coins
- ☐ Gold became the national currency

3. **What caused bank runs before the Federal Reserve was formed? ***

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- ☐ People overspending
- ☐ Government closures
- ☐ Banks lending money they didn't have in gold
- ☐ Inflation

4. **How did governments and banks respond to the threat of bank runs? ***

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- ☐ They created a central bank
- ☐ They banned banks
- ☐ They printed more gold
- ☐ They reduced lending

5. **What happened to gold certificates after Executive Order 6102? ***

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- ☐ They increased in value
- ☐ They were backed by silver
- ☐ They were burned
- ☐ They were exchanged for paper dollars

6. **What does "fiat" mean in Latin? ***

Mark only one oval.

- ☐ Freedom
- ☐ By decree
- ☐ Value
- ☐ Promise

7. **What gives fiat money its value? ***

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- ☐ Trust and confidence in the issuing government
- ☐ The weight of the currency
- ☐ Its usefulness as a physical commodity
- ☐ It is backed by gold

8. **What is the primary problem with fiat currency? ***

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- ☐ It is too complex to use
- ☐ It's backed by silver, not gold
- ☐ It requires trust in central banks, which is often broken
- ☐ It's only available digitally

9. **What is fractional reserve banking? ***

Mark only one oval.

- ☐ A system where banks keep 100% of deposits in reserve
- ☐ A system where banks keep only a fraction of deposits and lend out the rest
- ☐ A system where banks create digital currencies
- ☐ A system where banks loan out only to governments

10. **What happens if everyone tries to withdraw their money at the same time in a fractional reserve system?** *

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- ☐ The bank gives out digital tokens
- ☐ The government prints more money immediately
- ☐ There may not be enough money, leading to panic and bank runs
- ☐ The banks freeze all loans

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