

THE CORE-BITCOIN DIPLOMA 2024

CHAPTER 4 QUIZZES (COHORT 5)

* Indicates required question

1. **What key event in 1933 affected U.S. citizens' gold holdings? ***

1 point

Mark only one oval.

- ☐ The Bretton Woods Agreement
- ☐ Executive Order 6102 by President Roosevelt
- ☐ The Great Depression
- ☐ World War II

2. **Which law requires citizens to accept fiat money as payment? ***

1 point

Mark only one oval.

- ☐ Legal tender law
- ☐ Reserve requirement law
- ☐ Federal Reserve Act

3. **What does fractional reserve banking allow banks to do? ***

1 point

Mark only one oval.

- ☐ Hold 100% of deposits in reserve
- ☐ Create new currency without limits
- ☐ Avoid government regulations
- ☐ Lend out a portion of deposits

4. **What is the main reason banks offer interest on deposits? ***

1 point

Mark only one oval.

- ☐ To help savers
- ☐ To reduce inflation
- ☐ To generate profit through loans
- ☐ To maintain government regulations

5. **What is the function of the central bank in fractional reserve banking?**

* 1 point

Mark only one oval.

- ☐ Printing gold certificates
- ☐ Acting as the lender of last resort
- ☐ Holding citizens' gold
- ☐ Limiting bank profits

6. **What is a key risk of fractional reserve banking? ***

1 point

Mark only one oval.

- ☐ Banks lend out more money than they actually have.
- ☐ Banks keep all the money in reserves.
- ☐ Banks do not lend money.

7. **What happens when everyone tries to withdraw their money at the same time in a fractional reserve system?** * 1 point

Mark only one oval.

- ☐ The central bank prints more money to cover withdrawals.
- ☐ The bank raises interest rates.
- ☐ The bank runs out of money and may collapse.
- ☐ The bank can easily handle the withdrawals.

8. **Who benefits the most from the current fiat system?** * 1 point

Mark only one oval.

- ☐ Wealthy individuals and banks
- ☐ Lower and middle-class people
- ☐ Ordinary citizens
- ☐ Small businesses

9. **What happens when central banks rescue failing banks?** * 1 point

Mark only one oval.

- ☐ They lower taxes.
- ☐ They allow the banks to fail.
- ☐ What happens when central banks rescue failing banks?
- ☐ They raise interest rates.

10. **What leads to the "multiplier effect" in fractional reserve banking?** * 1 point

Mark only one oval.

- ☐ People paying off their debts.
- ☐ The central bank printing more money.
- ☐ Banks lending out more money than they have in reserves.
- ☐ People withdrawing their money from banks.

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