The Federal Reserve System Notes Questions

1. What is the central bank of the United States?

2. Who appoints the leaders of the Federal Reserve? Who must approve the choice?

3. *Critical Thinking*: Why must the leaders of the Federal Reserve carefully study economic trends and data?

4. What are the two main functions of the Federal Reserve?

5. *Critical Thinking*: What does the government make rules for how banks operate and what they tell consumers?

6. What does the government use to borrow money?

7. What is monetary policy?

8. *Critical Thinking*: Why do members of the Federal Reserve try to stay out of day-to-day politics?

9. *Critical Thinking*: How do interest rates impact ordinary American consumers?