

Name: _____ **Monetary and Fiscal Policy: Crash Course U.S. Gov. and Politics Video**

1. What is monetary policy?
2. Which institution is tasked with controlling the money supply? When and why was it created?
3. What is "The Fed" comprised of?
4. What are the two primary tasks of The Fed?
5. How is The Fed responsible for the money supply?
6. Who does The Fed create rules for?
7. What is the most important thing that The Fed does?
8. Why does The Fed loan money out to other banks?
9. How does the interest rate The Fed charges impact the amount of money in circulation?
10. How does The Fed determine interest rates across the entire economy?
11. What does the bank reserve requirement stipulate?
12. Why does The Fed require banks to have a reserve requirement?
13. What does raising and lowering the reserve requirement do?
14. Why does the Federal Reserve control the interest rates banks can charge each other?
15. What are open market operations?
16. What is inflation?
17. Usually, what do low interest rates tend to cause? What do high interest rates cause?
18. What does it mean that the Federal Reserve is an independent body?
19. Why is it a good idea that The Fed is an independent entity?
20. What is fiscal policy?
21. Why has America had a lot of budget deficits over the last 20-30 years?

22. How can the government spend more money on programs compared to the money it takes in from taxes?
23. Since Ronald Reagan's presidency, what has there been a lot of hostility towards?
24. What is the basic concept behind supply side economics?
25. What has been the trend for federal taxes over the last 30 years?
26. Is it accurate to say that the wealthy are not paying their fair share in taxes?
27. How have corporate tax rates changed over the last 50 years?
28. Why is it important to take note that Social Security taxes have been going up?
29. Overall, what percentage of revenue does the federal government receive from taxes?
30. In 2013, how much did the federal government take in from taxes? How much did the government spend? What was the result?
31. What is one example of mandatory spending in the federal budget? Why must the government cover this expense?
32. What are the two "big ticket" mandatory spending items? What do these two things provide?
33. Why is it unlikely government spending is going to decline on these two big ticket programs?
34. What is discretionary spending?
35. What are the two largest discretionary spending items?
36. Besides cutting discretionary spending, how else could the government balance its budget? Why is this unlikely to happen?
37. Because Americans do not want their taxes raised and the government has a limited ability to cut spending, which policy is more important today in shaping the economy, fiscal or monetary policy?