

Name: _____

Date: _____

CHAPTER 10, SECTION 3

Outlining Activity

Look through the chapter for an overview of the material. Pay attention to the main topics in the book. As you scan each section of the book, fill in the missing words in the following outline.

I. What Is the Federal Reserve System?

- A. The Federal Reserve System (the Fed) is the _____ of the United States. It began operation in 1914.
- B. The _____ of the Federal Reserve System controls and coordinates the Fed's activities.
1. The board is made up of _____ members, each appointed to a(n) _____ term by the president of the United States with Senate approval.
 2. The president also designates one member as _____ of the _____ for a(n) _____ term.
- C. There are _____ Federal Reserve district banks.
- D. The _____ (FOMC) is the major policy-making group within the Fed.
1. The FOMC has _____ members.
 2. _____ of the _____ members are members of the Board of Governors. The other five members come from among the _____ of the Federal Reserve district banks.

II. What Does the Fed Do?

- A. _____ the money supply.
- B. _____ the economy with paper money (Federal Reserve notes).
1. The notes are issued to the 12 Federal Reserve district banks, which keep the money on hand to meet the demands of the banks and the public.
- C. Hold bank _____.
- D. Provide _____.
1. The _____ process is how funds change hands when checks are written.
- E. _____ member banks.
- F. Serve as the _____ for banks suffering cash management problems.