NAME:	DATE: 02/06/2017
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ASSIGNMENT: Monetary Policy by the Federal Reserve

1. If the Fed changes the amount of money a bank is required to retain rather than lend out, what policy tool is it using?		In the 1980's, inflation averaged 5.8% per year. Paul Volcker was the Federal Reserve Chair.
Changing the discount rate Changing reserve requirements		Describe the three strategies he could have used to push inflation rates in the right direction.
There is no such tool		
 Engaging in open-market operations 		
2. If the Fed lowers the interest rate monetary tool is it using?	it charges banks, what	
Changing the discount rate		
Changing reserve requirements		
There is no such tool		
Engaging in open-market operations		
Which one of the following is the bes monetary policy?	t explanation of	
 A government's decision making regarding money supply and interest rates 	A government's decision making regarding interest rates	
	A government's decision making regarding spending	
 A government's decision making regarding taxation 		