**Unit 7 Note taking Study Guide**

**Keep your vocabulary notebook, some important terms are below.**

**Sample work: Complete the Fiscal Tool and Monetary Tool charts below. Submit it in the Sample Work drop box.**

**Fiscal policy: For each tool of fiscal policy tell how it can be used to expand or contract the economy**.

|  |  |  |
| --- | --- | --- |
| Fiscal tool | What is Expansionary policy? | What is Contractionary policy? |
| Taxing |  |  |
| Spending |  |  |

**Monetary Policy: Federal Reserve Bank uses monetary policy**

**For each tool of monetary policy tell how it can be used to expand or contract the economy.**

|  |  |  |
| --- | --- | --- |
| Monetary Tool Define | What is Expansionary Policy? | What is Contractionary Policy? |
| Reserve Requirement |  |  |
| Discount Rate |  |  |
| Open Market Operations |  |  |
| Federal Funds Rate |  |  |
| Prime Rate |  |  |

Repurchase agreements

Federal Reserve bank: Role

Impact on the economy (3 impacts)

Federal Reserve district bank role

Board of Governors role

Define & indicate who pays what in the taxes below:

* Payroll Tax
* Corporate income tax
* Property tax
* Sales tax
* Individual income tax

Mandatory spending

Entitlements Federal budget

National Debt

Government Revenue: Largest income to Smallest income

National Debt: Trends. What causes increases?