Student J

Date 10/1/13

① – High 1 closer to 2
-accurate information in start of response
-misuse of vocabulary "Fluctuate"
-blending of concepts and ideas in 2nd part of response leads reader to see misunderstandings
Low – (Medium)

Directions: Using the evidence from the reading, your n class discussion, and visual aids answer the following quest

Check for Understanding

- How do actions by the Federal Reserve affect consume answer with economic evidence.

Rubric

2-This response gives a valid effect with accurate and releva

1-This response gives a valid effect with inaccurate, irreleva

accurate relevant (+)

Actions by the Federal Reserve affect Consumers and Producers Greatly. They can decide whether or not to stop the economy from growing rapidly which prevents consumers from buying overpriced objects. The Federal Reserve helps maintain the amount of money in circulation because if there was to much in circulation the value of the money would go down.

accurate relavant (+)

The Federal Reserve acts as a safeguard and protects people who save money in a bank and borrow money from a bank. Like in a Reccession. The Federal Reserve tells banks to give out more loans so more people will fluctuate and the economy can start to stabilize. It prevents consumers from loosing all their money and has a value that is used all over the country so everyone uses the same currency.

misuse of vocabulary (-)

misunderstanding of roles as "safeguard" "stabilizing" "value"
blending multiple concepts →

leads to unclear explanation

J

Congress got there act together to make the Fed

Keeping prices **stable** is part of the job of the Federal Reserve, which was created by Congress in 1913. There had been two attempts at **establishing** a central bank in the United States in the 19th century, **but politics killed them** even though they were successful. Back then, state-chartered banks issued their own paper money backed only by their individual gold and silver reserves. As a result, there were once more than 10,000 different kinds of bank notes in circulation.

Suppose you owned a store in those days. How would you know which banks had enough gold reserves to make their currency worth its **face value?** Should you decrease the value of bills from a weaker bank? And how would you keep track of all those bank notes? You can imagine the shopkeeper's **dilemma.** If a bank went broke, its currency was instantly worthless, and those who held its notes could lose everything.

Naturally, people hurried to withdraw their money at the first hint of trouble in the economy. The **result** was **periodic** financial panics that could **devastate** the national economy for years. Finally, after a **particularly** bad panic in 1907, Congress decided to solve the problem. In 1913, it **established** the Federal Reserve System to provide for a safer and more **flexible** banking and monetary system.

With the Fed as safeguard, banks can perform their proper role of bringing savers and borrowers together for the benefit of both. For any economy to be successful, a country **first needs political stability** so its citizens feel safe; then it needs a **stable financial system** that includes both **trustworthy money** and **reliable financial institutions**. Healthy, profitable banks, therefore, are a vital part of the nation's **economic welfare**.

Banks provide many services, but for most people, banking **consists** of depositing their income into a checking account and writing checks or using a debit card on that account to buy things that cost more money than they want to carry in their wallets. People also have savings accounts in which they deposit money they don't need right away or they are saving for a **particular** purpose. The bank pays interest, or a price paid for use of the money, on savings accounts and often on checking accounts, too.

Very little of this money is kept in the bank's vault, however. While the Federal Reserve requires banks to keep a **specified** percentage of customer deposits on hand (reserves) to meet routine withdrawals, they lend the excess. Banks, like any other business, must make a profit **to stay in business**. Their profit comes from interest people pay on the money they borrow.

state-chartered
organized and maintained by individual states

bank notes
paper currency

financial panics
urgent concern for safety of personal money

safeguard
form of protection

vital
necessary

vault
safe holding place within the bank

reserves
funds which cannot be loaned

excess
unused funds

Central Bank is Philadelphia

Central Bank = main bank, one of the twelve banks.

A citizen with worthless money could take his money to another bank if the other buyer was unaware.

Political stability - A safe society, not perfect but not risky

Economic Welfare - The unemployment rate is low, people are buying and selling things. Everything is Stable. The status of the whole country

If your in a reccession the fed tells the bank to keep less percent. They increase the supply of money. Tell banks to give more loans

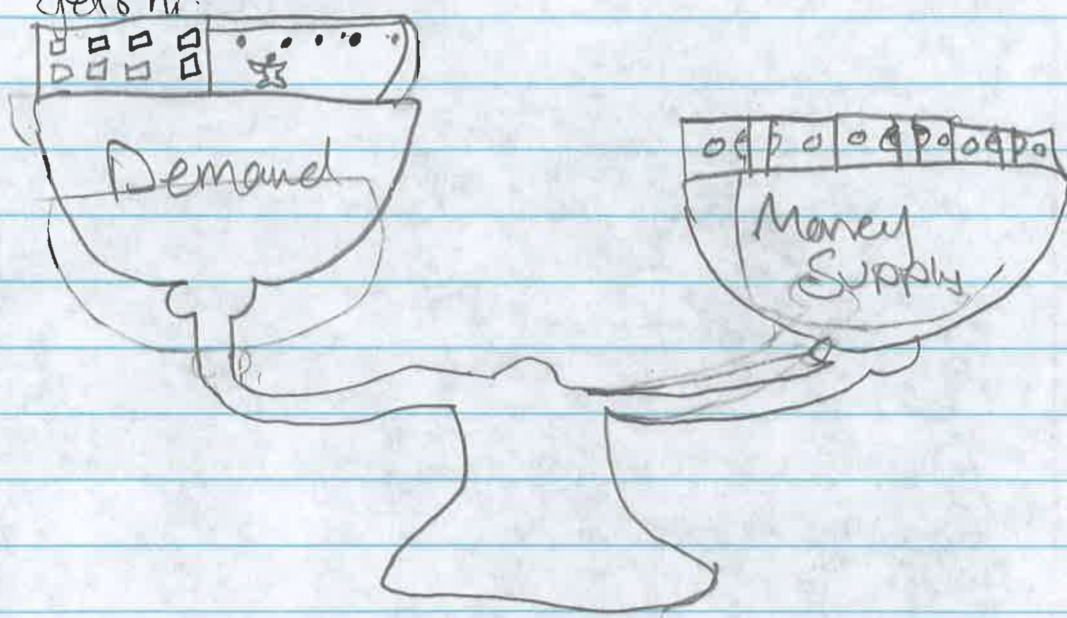
Federal Reserve Bank

- Dollars are called Federal Reserve notes.
- Taking Money out of circulation will stable the economy
- The Federal Reserve is the central. Bank of the United State
- Taking out money too long will cause Reccession
- It was found it 1913
- Goverments Job is to promote the safety of banks
- They're used to be over 30,000 types of currency in circulation
- From 1913-Today the Federal Reserve remains the same
- It was designed to be a decentralized bank
- Clears almost 20million checks a year
- The banks sometimes didn't have enough money for people to withdraw
- The Fed is a model for others like it worldwide
- 12 representatives represent the board of directors.
- The Federal Reserve is the bankers bank
- Keeping a stable economy is the Federal reserve's goal
- Higher employment and Production, Steady growth, and overall stable prices

- The federal reserves main goal is price deffieiency.

- The amount of money and credit That is available.

- As the supply of money grows so does the demand. When demand gets hi



Inflation

The prices of Items will go up if the demand goes up and money supply goes down.

Re

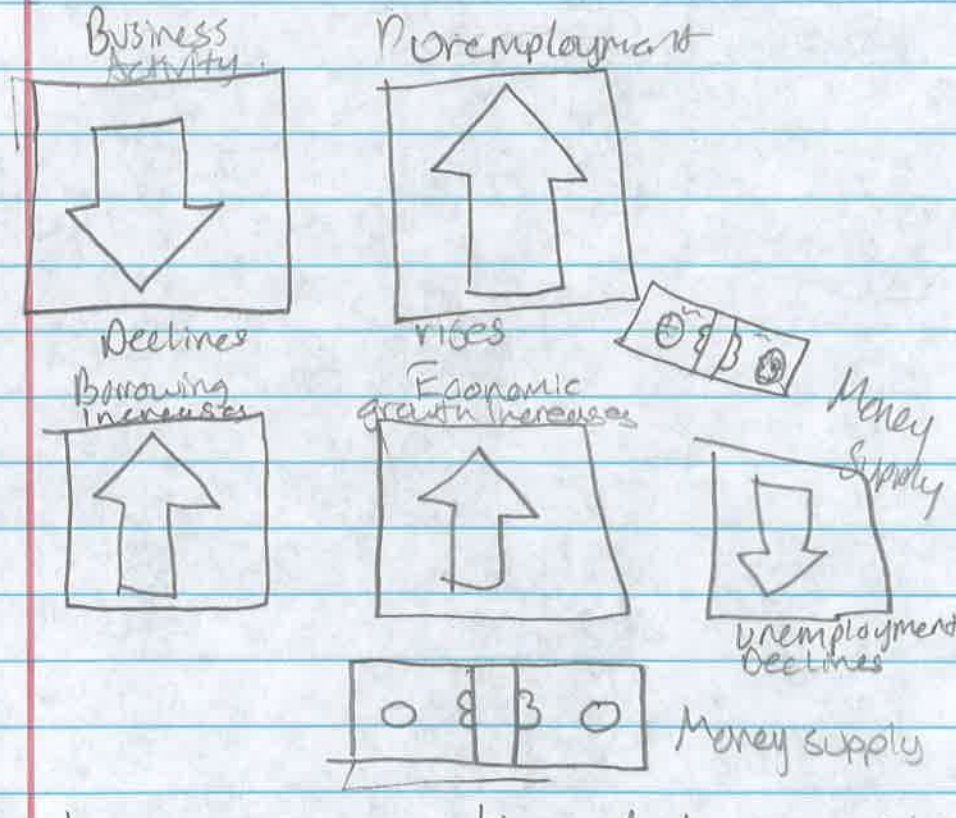
Federal Reserve Bank

Central Bank regulate the supply of money. issues currency in that country. Overseas the countries banks.

Keeping Prices, growing the economy, maximize employment.

The Fed regulates how easy or hard it is to get credit. They decide the basic interest trend.

Reccession



In a reccession the feds menitary policy increases the money supply.

Inflation:

Economy Growing to fast
Price Increases
Inflation Increases

Subtract Money supply.

Interest rates Increase
Business Activity decreases
Inflation decreases

Student

Text Dependent Questions
Student Handout
The Role of the Fed

Text	Questions
Keeping prices stable is part of the job of the Federal Reserve, which was created by Congress in 1913. There had been two attempts at establishing a central bank in the United States in the 19th century, but politics killed them even though they were successful.	What is the one of the primary jobs of the Federal Reserve? Support your answer with evidence from the text. The federal Reserve's primary job is keeping prices stable. In the opening paragraph, the Author uses the phrase "but politics killed them…" What do you think the Author means by this? To much political unstability
Back then, state-chartered banks issued their own paper money backed only by their individual gold and silver reserves. As a result, there were once more than 10,000 different kinds of bank notes in circulation. Suppose you owned a store in those days. How would you know which banks had enough gold reserves to make their currency worth its face value? Should you decrease the value of bills from a weaker bank? And how would you keep track of all those bank notes? You can imagine the shopkeeper's dilemma. If a bank went broke, its currency was instantly worthless, and those who held its notes could lose everything.	What problem was created by state-chartered banks issuing their own paper money for citizens? Support your answer with evidence from the text. To many different types of notes in circulation And shopkeepers were unsure if they could back up there money In paragraph 2, the Author speaks of a "dilemma" faced by the shopkeepers. What is this dilemma shopkeepers may have faced? If they recieved bank notes from a different bank could lose money. What evidence from the text supports your answer? It is in the last Sentence
Banks provide many services…. People also have savings accounts in which they deposit money they don't need right away or they are saving for a particular purpose. The bank pays interest, or a price paid for use of the money, on savings accounts and often on checking accounts, too. Very little of this money is kept in the bank's vault, however. While the Federal Reserve requires banks to keep a specified percentage of customer deposits on hand (reserves) to meet routine withdrawals, they lend the excess.	In paragraph 5, the Author describes services a bank provides for its consumers. • Why is the service of paying interest on money in a person's account beneficial to both the bank and consumer? It encourages consumers to keep putting money in and provides the bank with money for loans. • What evidence from the text supports your answer? The last paragraph Why does the Federal Reserve require banks to keep "a specified percentage of customer deposits on hand (reserves)"? Support your answer with evidence from the text. To meet routine withdrawals. As noted in the last sentence.