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**CHAPTER LEARNING OBJECTIVES**

- 1. STUDENTS WILL BE ABLE TO DEFINE WHAT A BANK IS**
- 2. STUDENTS WILL BE ABLE TO DEFINE THE CHARACTERISTICS OF THE 9 MAJOR PERIODS IN THE BANKING HISTORY OF THE UNITED STATES**
- 3. STUDENTS WILL BE ABLE TO DEFINE AND EXPLAIN THE IMPORTANCE OF THE FOLLOWING BANKING TERMS / CONCEPTS : BANK RUN, GREENBACKS, GOLD STANDARD, DEFAULT, INTEREST, AND PRINCIPAL**
- 4. STUDENTS WILL BE ABLE TO IDENTIFY, DEFINE, AND EXPLAIN THE 4 MAJOR FUNCTIONS OF A BANK**
- 5. STUDENTS WILL BE ABLE TO PROVIDE EXAMPLES OF THE TYPES OF BANKS**
- 6. STUDENTS WILL BE ABLE TO EXPLAIN THE “MONEY MULTIPLIER ” CONCEPT AND HOW BANKS MAKE MONEY**

**WHAT IS A “BANK ” ?**

**WHAT IS THE MOST IMPORTANT THING TO UNDERSTAND ABOUT THE GLOBAL BANKING SYSTEM ?**

**WHAT ARE THE 3 MAJOR FUNCTIONS OF A BANK ?**

- 1.**
- 2. MANAGING MONEY > TOOLS TO HELP YOU :**
  - 1.**
  - 2.**
  - 3.**



3.

**WHAT IS A BANK'S LARGEST SOURCE OF INCOME ?**

**LOAN FACTS :**

**1. ECONOMIC GROWTH BENEFITS :**

1.

2.

**2. LOANS - 4 TYPES :**

1.

2.

3.

4.

**LOANS > HOW THEY WORK :**

1. “PRINCIPAL” -

2. “COLLATERAL” -

3. “INTEREST” -

3. “DEFAULT” -

**3 REASONS WHY ESTABLISHING A POSITIVE RELATIONSHIP WITH A BANK IS VERY IMPORTANT :**

1.

2.

3. “CREDIT HISTORY” -

1. “CREDIT REPORT” -

2. “CREDIT SCORE” -



**CREDIT SCORE FACTS :**

1.

2.

1.

2.

3.

4.

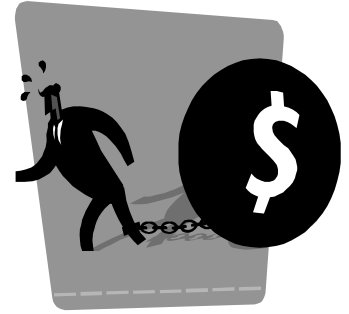
5.

3.

1.

2.

3.



**FIVE THINGS GUARANTEED TO DESTROY YOUR CREDIT SCORE :**

1.

4.

2.

5.

3.

**HOW THE BANKING SYSTEM WORKS > TYPES OF BANKS :**

1.



2.

Bank of America.

3.



E\*TRADE



4.

1.

2.

5.

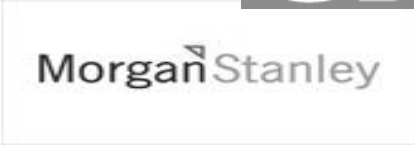
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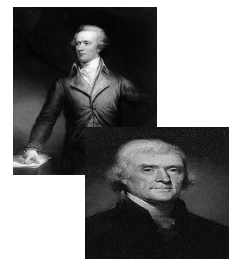
**HOW DID WE GET TO THIS POINT ? THE 6 IMPORTANT PERIODS IN THE DEVELOPMENT OF THE AMERICAN BANKING SYSTEM :**

1. **WHAT WAS THE BANKING SYSTEM LIKE IN THE COLONIAL ERA ?**

2. **A STABLE BANKING SYSTEM WAS A PRIORITY FOR THE UNITED STATES IN THE POST REVOLUTIONARY ERA. WHAT WERE THE DIFFERING PHILOSOPHIES ABOUT IT ?**

1. **FEDERALIST VIEW -**

2. **ANTI-FEDERALIST VIEW -**



3. **THE 5 FUNCTIONS OF THE FIRST AND SECOND NATIONAL BANKS THAT WERE ESTABLISHED IN 1791 & 1816 :**

1.

2.

- 3.
- 4.
- 5.

**“RESERVE REQUIREMENT” -**

**“BANK RUN OR PANIC” -**

**4. THE 4 CHARACTERISTICS OF THE 2 PERIODS OF BANK AND ECONOMIC CHAOS ( NO CENTRAL BANK ) - 1811 – 16 AND 1837 - 63 :**

- 1.
- 2.
- 3.
- 4.



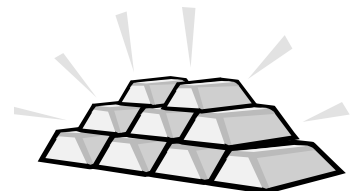
**5. PERIOD OF BANKING UNIFICATION IN THE LATE 1800 s - WHAT WERE THE 3 IMPORTANT POWERS THAT WERE GIVEN TO THE TREASURY DEPARTMENT OF FEDERAL GOVERNMENT IN THE NATIONAL BANKING ACTS ?**

- 1.
- 2.
- 3.

**“GREENBACKS” -**

**WHAT WERE THE 3 ADVANTAGES TO THE ECONOMY RESULTING FROM THE ADOPTION OF THE “ GOLD STANDARD ” IN 1870 ?**

- 1.



2.

3.

**WHAT WERE THE 3 MISSING BANKING FUNCTIONS THAT WERE NOT INCLUDED IN THE NATIONAL BANKING ACTS OF THE LATE 1800s ?**

1.

2.

3.

6. **20 TH CENTURY BANKING - SUPERVISION AND CONTROLS ARE PUT IN PLACE**

**THE FEDERAL RESERVE WAS ESTABLISHED IN 1913 AND HAD WHAT 3 CHARACTERISTICS ?**

1.



2.

3.

**WHAT WERE TWO IMPORTANT REFORMS ADOPTED DURING THE DEPRESSION ERA AND WHY WERE THEY ADOPTED ?**

1. **“ FEDERAL DEPOSIT INSURANCE CORPORATION ( FDIC ) ”**

2.