Money and Banking Study Guide

1. The system used before money was called…
2. What are the three functions of money? Explain.
3. List and describe the six characteristics of money.
4. What is commodity money? Give an example.
5. What is representative money? Give an example.
6. What is fiat money? Give an example.
7. Define the following terms
   1. Savings account
   2. Checking account
   3. Overdraft checking
   4. Certificate of Deposit (what are the pros and cons of using one of these?)
8. Electronic Funds Transfer
9. Checkable deposit
10. Credit Cards
11. Debit Cards
12. What is a bitcoin? What sets it apart from other types of money? What are the pros and cons of the bitcoin?
13. Are pennies one of the dumbest currencies ever? (Hint: the answer is YES) Explain why.
14. What are near moneys?
15. What is the difference between M1 and M2?