Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **TCI Money, Banking, Saving and Investing**: **Sections 1-3**  Date: \_\_\_\_\_\_\_

**Section 1 Directions:** Read Section 1 Introduction and write a response to the following prompt: Suppose a generous relative gave you a gift of $1,000 for your high school graduation. In a short paragraph, outline what you would do with the money and the reasoning behind your decision.

**Section 2 Directions:** Read Section 2, What Makes Money…. Money?, and record definitions for the following terms.

|  |  |
| --- | --- |
| Legal Tender |  |
| Purchasing Power |  |
| Commodity Money |  |
| Commodity-Backed-Money |  |
| Fiat Money |  |
| Assets |  |
| Liquid Assets |  |
| Credit Card |  |
| Debit Card |  |

Read Figure 8.2. In your opinion, name and describe the two most important safeguards on US money that make money harder to counterfeit.

**Section 3 Directions:** Read Section three. Answer the following questions and record definitions for the vocab.

|  |  |
| --- | --- |
| Liquidity |  |
| Interest |  |
| Checkable Deposits |  |
| Savings Deposits |  |
| Time Deposits |  |
| Commercial Loans |  |
| Consumer Loans |  |
| Installment Loans |  |
| Mortgage |  |
| Principal |  |
| Credit History |  |

1. What is the main function of banks? How do banks execute that function?

2. Rank the three types of deposits that savers make at banks from “most liquid” to “least liquid.” Rank the three types of deposits that savers make at banks from the “highest return” to “lowest return.”

Checkable Deposits

Savings Deposits

Time Deposits

3. Create a simple symbol to help explain each of the three types of loans that banks commonly make: commercial loans, consumer loans, and mortgage loans. Add a note to explain who would typically take our each type of loan and what the money would be used for.