**Monetary Policy Article Questions**

**3.3**

1. *What is the Fed?*
2. *What is monetary policy?*
3. *What are the two main policy goals that congress gave to the Fed?*
4. *What is the federal funds rate? What does this influence?*
5. *Why does the fed have to affect the economy indirectly?*
6. *What type of interest rates do changes in the federal funds rate affect?*
7. *What is the difference between tight and easy policies?*
8. *What are the three main monetary policy tools used by the Fed?*
9. *Summarize open market operations.*
10. *Explain the discount rate.*
11. *How do reserve requirements work?*