



Answer the following questions while watching the video.

1. In what year was the Fed created?

2. The Fed was created for the purpose of _____.

3. Roger Ferguson states “obviously, significant loss of life in New York and Washington was high on everyone’s mind, but with respect to the Federal Reserve, the main issue had to do with the financial system.” Write your prediction of what might have happened to the financial system as a result of the attacks.

4. Why do people need faith in their financial institutions?

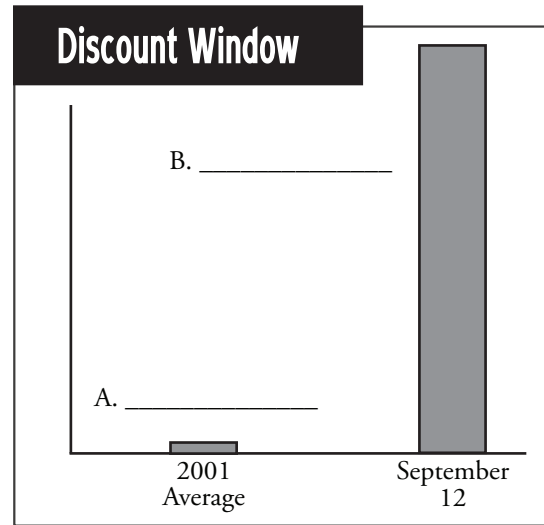
5. Liquidity is defined as the _____.

6. What was the challenge associated with ATMs?

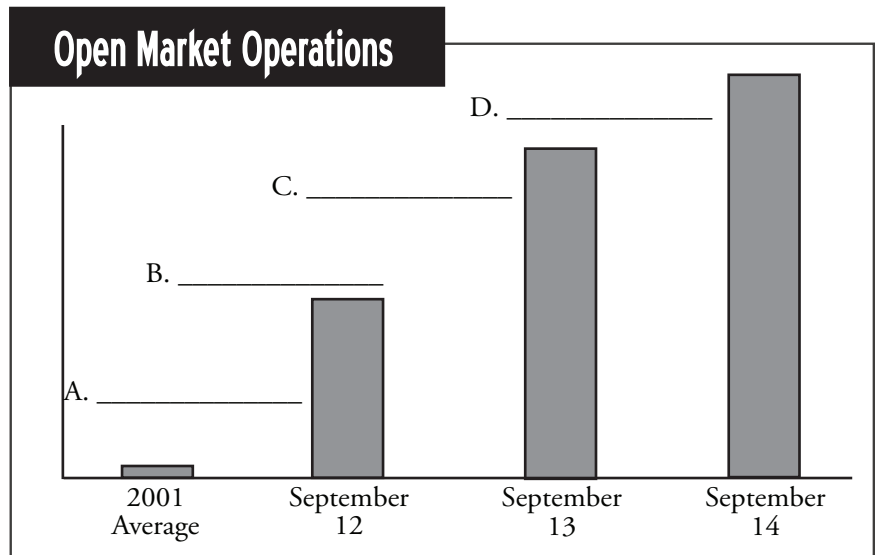
- 7a. How much “float” did the Fed extend?

- 7b. How many times the average did this represent?

8. Discount Window [lends] money to banks typically overnight to help them maintain smooth operations.



9. Open Market Operations.



- 10. What action taken by the Fed calmed the markets?
- 11. What is the benefit of a well-functioning central bank?
- 12. Explain the significance of the video's title, *Open and Operating*.
- 13. How does a well-functioning central bank benefit you?