



## Section 3: Guided Reading and Review

# Banking Today

### A. As You Read

As you read Section 3, supply the requested information on the lines provided.

Define M1.

- \_\_\_\_\_
- \_\_\_\_\_

Define M2.

- \_\_\_\_\_
- \_\_\_\_\_

List five services that banks offer.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Describe four types of financial institutions.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### B. Reviewing Key Terms

Define the following terms.

- money supply \_\_\_\_\_
- liquidity \_\_\_\_\_
- demand deposit \_\_\_\_\_
- money market mutual fund \_\_\_\_\_
- fractional reserve banking \_\_\_\_\_
- default \_\_\_\_\_
- mortgage \_\_\_\_\_
- credit card \_\_\_\_\_
- interest \_\_\_\_\_
- debit card \_\_\_\_\_
- creditor \_\_\_\_\_