

Exchange, Money, & Banking Study Guide

Be able to define, identify, & apply information about each of the following:

- Exchange
 - Barter
 - Double coincidence of wants
 - Money
 - 3 functions of money
 - 3 types of money
 - Interdependence
 - Transaction costs
- Development of banking
 - Goldsmiths & warehouse receipts
 - Fractional reserve banking
 - 4 main types of financial institutions
- The Money Supply
 - M1
 - Basic money supply – currency, checkable accounts (demand deposits), & travelers checks
 - M2
 - Near money
 - M3