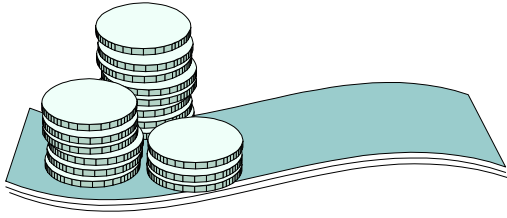


NAME: _____



ECONOMICS USA: MONETARY POLICY

1. What did the FED do in the early 1970s to deal with the problem of inflation?
2. What did the FED do in the early 1970s to deal with the problem of unemployment?
3. How high did inflation get by late 1974? _____ %
4. How high did unemployment get by early 1975? _____ %
5. The rate at which the money supply changes hands is called _____.
6. What was the primary goal of the Carter administration during its first two years?
7. What was the result of this Carter administration program by late 1978?
8. Why were the Carter Administration, William Miller and others misled about the "tightness" of money by the high interest rates of the late 1970s?
9. What does it mean to say that the economy is "overheated?"
10. What policy does the Monetarist school of economics advocate for the Fed?
11. What was the policy of Fed. Chairman Paul Volcker in late 1979?
12. What was the result of this policy?
13. What was the policy of President Reagan toward monetary policy?
14. What happened in late 1982?
15. Did inflation come under control?