

Handout 2: Federal Reserve Interactive Simulation

A. After playing once, answer the following questions in complete sentences:

1. What is the federal funds rate?
2. How does the FOMC change the federal funds rate?
3. When did you decide to raise rates? Why? What was the result?
4. When did you decide to lower rates? Why? What was the result?
5. What was the federal funds rate when the game began? What was the highest it reached? What was it at the end of the game?
6. How did you do as the chairman of the Fed?

B. Play the game again and answer the following questions in complete sentences:

1. What happened differently this time?
2. When did you decide to raise rates? Why? What was the result?
3. When did you decide to lower rates? Why? What was the result?
4. How did you do as the chairman of the Fed this time?

C. Play the game once more and answer the following questions in complete sentences:

1. What happened differently this time?
2. When did you decide to raise rates? Why? What was the result?
3. When did you decide to lower rates? Why? What was the result?
4. How did you do as the chairman of the Fed this time?

Handout 3: Comic Book Assignment

Assignment: You will create a comic book about the Federal Reserve System and monetary policy. The comic book should display a coherent story with complimentary illustrations. You will integrate six (6) vocabulary words with their correct definitions from today’s lesson. The vocabulary words you can choose from are:

- Federal Reserve System
- Board of Governors
- Federal Reserve Banks
- FOMC
- Fractional Reserve Banking
- Monetary Policy
- Open-market operations
- Reserve requirement
- Discount rate
- Expansionary monetary policy (Easy-money)
- Contractionary monetary policy (Tight-money)
- Recession
- Inflation

Rubric for Comic Book Assignment

| CATEGORY | 4 | 3 | 2 | 1 |
|--|--|---|--|--|
| Organization | The comic is well-organized with a coherent story line. There is a clear beginning, middle, and end. | The comic book is organized with a story line. There is a beginning, middle and end. | The comic book is not organized and has very little story. There is no clear beginning, middle, and end. | The comic has no organization or story line. |
| Grammar | There are no grammatical mistakes in the comic book. | There are few grammatical mistakes in the comic book. | There are multiple grammatical mistakes in the comic book. | There are many grammatical mistakes in the comic book. |
| Content - Accuracy | All facts in the comic book are accurate. | Most of the facts in the comic book are accurate. | Some of the facts in the comic book are accurate. | None of the facts in the comic book are accurate. |
| Attractiveness & Organization | The comic has exceptionally attractive formatting and well-organized information. | The comic book has attractive formatting and well-organized information. | The comic book has well-organized information. | The comic book 's formatting and organization of material are confusing to the reader. |
| Graphics/ Pictures | Graphics go well with the text and there is a good mix of text and graphics. | Graphics go well with the text, but there are so many that they distract from the text. | Graphics go well with the text, but there are too few and the comic book seems "text-heavy". | Graphics do not go with the accompanying text or appear to be randomly chosen. |
| Vocabulary | The author correctly uses 6 vocabulary words. | The author correctly used 4-5 vocabulary words. | The author correctly used 2-3 vocabulary words. | The author correctly used less than 2 vocabulary words. |