* Money and Banking

Chapter 11

* The Evolution of Money
* Barter Economy
* Functions of Money
  + Medium of Exchange
  + Measure of Value
  + Store of Value
* Money in Early Societies – commodity & fiat money
* Money in Colonial America – paper Currency & Specie
* Origins of the Dollar
* Characteristics of Money – portability, durability, divisibility & limited availability
* Early Banking & Monetary Standards

Privately Issued Bank Notes

* State banks – state issued
* Abuses (wildcats)
* Problems w/ Currency

The Greenback Standard

* Greenbacks – legal tender & US notes
* Nat’l Currency – banks & notes
* Gold Certificates –
* Silver Certificates –
* Treasury Coin Notes -
* The Gold Standard –
  + Advantages & Disadvantages
  + No gold standard
* Inconvertible Fiat Money Standard – fiat $ w/ no gold or silver backing
  + Money Supply – government
  + Char. Of Modern Money – portable, durable, divisible, limited availability
* Development of Modern Banking
* Revising the Banking System
* The Federal Reserve System – central bank & notes
  + Great Depression – runs and holidays
  + Federal Deposit Insurance

Depository Institutions

* Commercial banks –
* DDAs – $ removed w/o approval
* Thrift Institutions – no DDAs
* Savings Banks – (thrift)
  + NOW Accounts
* Savings & Loan Associations
  + S&L – (FSLIC)
* Credit Unions – nonprofit cooperative, owned and operated for members.
  + Share draft accounts

Crisis & Reform

* Deregulation
* Crisis
* Reforming the Thrift Industry
* Failed Banks – creditor
* Return to Stability???