SN 548 DSST Exam Money and Banking

Section: Certified Banking Professional Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. Which of the following was the goal of the Federal Reserve's actions regarding reducing the discount rate and using auctions to determine interest rates for loans?

(A) Offering transparency
(B) Controlling volatility
(C) Generating liquidity
(D) Stabilizing outcomes

2. Which of the following characteristics refers to large bank holding companies as superregional banks?

(A) Exclusively allowed to process subprime mortgages
(B) Exclusively allowed to benefit from government tax credit
(C) Restricted amount of funds that could lend
(D) Headquarters outside of money center cities

3. Which of the following was the main result of the McFadden Act of 1927?

(A) Created a monopoly in banking system
(B) Reduced the number of credit unions
(C) Produced a fragmented banking system
(D) Created vast numbers of large banks

4. Which of the following failures convinced the nation that a Federal Reserve System was needed?

(A) Business
(B) Agency
(C) Agriculture
(D) Bank

5. Which of the following entities was designated to supervise federally chartered banks based on the National Banking Act of 1863?

(A) Bureau of the Solicitor General

(B) Office of the Comptroller of the Currency

(C) Federal Reserve Office of Banking Regulation

(D) Department of the United States Treasury

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6. Which of the following is the primary concern of the Federal Reserve acting too slowly to restore its balance sheet to similar levels before the financial crisis of 2008?

(A) Reduced liquidity and a slow-down in the economy

(B) Reduced liquidity and too rapid economic growth

(C) Rapid monetary expansion and a slow-down in the economy

(D) Rapid monetary expansion and inflation

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7. Which organization produces official measures of the total money supply in the United States?

(A) The Philadelphia Mint

(B) The National Congress Administration

(C) The Federal Reserve System

(D) The Congressional Budget Office

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8. The conclusion that an increase in the money supply will lead to lower interest rates is based on which of the following effects?

(A) Real price level

(B) Expected inflation

(C) Income stabilization

(D) Liquidity preference

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9. Which of the following is a method of operation for financial institutions in foreign countries?

(A) International banking facility

(B) Global funds facilitation

(C) Systematic risk vehicle

(D) Automated fiscal deposits

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10. Which of the following concepts explains why an increase in the money supply results in a decrease in interest rates?

(A) Real price level

(B) Liquidity preference

(C) Income stabilization

(D) Expected inflation