

Define the three Functions of Money listed below.	
Medium of Exchange	
Unit of Accounting	
Store of Value	

Fill in the boxes below using your notes on Characteristics of Money	
Characteristic	Definition
	Easy to carry around
	People don't have enough of it
Stable in Value	
Durable	
	Can easily be broken into smaller amounts
	Businesses and workers are willing to accept it as payment

Answer the following questions using the Gini coefficients data in the graphic provided.																							
<p>1. Which country has the most even income distribution of the countries listed?</p> <p>_____</p>	<p>Out of the bottle Gini coefficients, Maximum income inequality=1 Latest</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Gini Coefficient</th> </tr> </thead> <tbody> <tr><td>South Africa</td><td>0.62</td></tr> <tr><td>Brazil</td><td>0.52</td></tr> <tr><td>Nigeria</td><td>0.48</td></tr> <tr><td>China</td><td>0.45</td></tr> <tr><td>United States</td><td>0.38</td></tr> <tr><td>Britain</td><td>0.35</td></tr> <tr><td>India</td><td>0.32</td></tr> <tr><td>Japan</td><td>0.31</td></tr> <tr><td>Egypt</td><td>0.30</td></tr> <tr><td>Sweden</td><td>0.25</td></tr> </tbody> </table> <p>Sources: National Bureau of Statistics; OECD; World Bank</p>	Country	Gini Coefficient	South Africa	0.62	Brazil	0.52	Nigeria	0.48	China	0.45	United States	0.38	Britain	0.35	India	0.32	Japan	0.31	Egypt	0.30	Sweden	0.25
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<p>2. Which country has a greater gap between its rich or its poor, China or the United States? Write your answer below.</p> <p>_____</p>																							
<p>3. In which country would the poor be most likely to resent the rich, Japan or Brazil? Explain why.</p> <p>_____</p> <p>_____</p> <p>_____</p>																							

Use the Lorenz curve provided to answer the following questions.

1. About what percent of the population earns 70% of the income? Put an "X" on the curve to show this point on the curve.

2. About what percent of the income does the TOP 10% of the population earn? Put a "Z" on the curve to show this point on the curve.

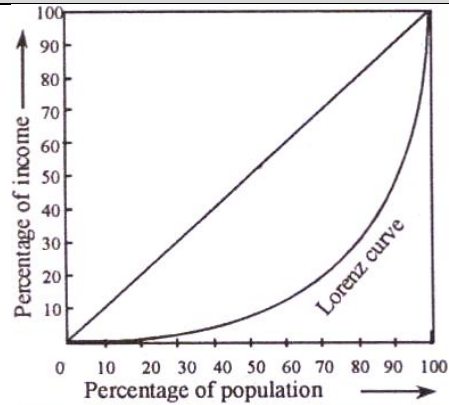


Fig. 3: A relatively unequal distribution

This table contains a list of moneys that comprise the "M2" definition of the money supply. Cross out the items on list that are not included in the "M1" definition of the money supply.

- Currency in circulation
- Deposits in savings accounts
- Deposits in checking accounts
- Traveler's checks
- Time deposits (CDs) under \$100,000
- Deposits in money market accounts
- Money in money market mutual funds

Fill in the boxes below using your notes on Financial Institutions.

Institution	Example	Function(s)
Central Bank		
	Regions Bank	
	Ft. Campbell Federal Credit Union	A non-profit organization that provides checking, saving and loan services to its members.
Investment Bank		
	New York Stock Exchange	