Chapter 02 The Impact of Government Policy and Regulation on the Financial-Services Industry

Student: ____

1. The ______________________ was created as part of the Glass-Steagall Act. In the beginning it insured deposits up to $2,500.

 ____

2. The _________________________ is the law that states that a bank must get federal approval in order to combine with another bank.

 ____

3. One tool that the Federal Reserve uses to control the money supply is _________________. The Federal Reserve will buy and sell T-bills, bonds, notes, and selected federal agency securities when they are using this tool of monetary policy.

 ____

4. The ___________________________ was created in 1913 in response to a series of economic depressions and failures. Its principal role is to serve as the lender of last resort and to stabilize the financial markets.

 ____

5. The McFadden Act and the Douglas amendment which prevented banks from crossing state lines were later repealed by the ________________________________.

 ____

6. The policy of FDIC to levy fixed insurance premiums regardless of the risk involved, led to a/an ______________ problem among banks. The fixed premiums encouraged banks to accept greater risk.

 ____

7. In 1980, the ___________________________ was passed, which lifted U.S government ceilings on deposit interest rates in favor of free-market interest rates.

____

8. One tool that the Federal Reserve uses to control the money supply is _________________. The Federal Reserve will change the interest rate they charge for short-term loans when they are using this tool of monetary policy.

____

9. The first major federal banking law in the U.S. was the __________________________. This law was passed during the Civil War and set up a system for chartering new national banks through the OCC.

____

10. The __________________________ was passed during the Great Depression. It separated investment and commercial banks and created the FDIC.

____

11. The ___________________________ brought bank holding companies under the jurisdiction of the Federal Reserve.

____

12. The ___________________________ allows adequately capitalized and managed bank holding companies to acquire banks anywhere in the United States. However, no one bank can control more than 30 percent of the deposits in any one state (unless the state waives this restriction) or more than 10 percent of the deposits across the country.

____

13. The ____________________________ allows well-managed and well-capitalized banking companies with satisfactory CRA ratings to affiliate with insurance companies and securities firms either through a financial holding company or through a subsidiary firm owned by a bank.

____

14. Customers of financial-service companies may ______________________ of having their private information shared with a third party, such as a telemarketer. However, in order to do this, they must tell the financial-services company in writing that they do not want their personal information shared with outside parties.

____

15. The federal bank regulatory agency which examines the most banks is the ______________.

____

16. The _________________ requires selected financial institutions to report suspicious activity in customer accounts to the Treasury Department.

____

17. The central bank of the new European Union is known as the _______________________.

____

18. The ______________________ Act prohibits banks and publicly owned firms from publishing false or misleading financial performance information.

____

19. One of the main roles of the Federal Reserve today is _________________. They have three tools that they use today to carry out this role: open market operations, the discount rate, and legal reserve requirements.

____

20. The ______________________________ is the center of authority and decision making within the Federal Reserve. It consists of seven members appointed by the president for terms not exceeding 14 years.

____

21. The main regulators of insurance companies are _____________________________.

____

22. Federal Credit Unions are regulated and examined by __________________________________.

____

23. The ____________________________________ makes it easier for victims of identity theft to file a theft report with the Federal Trade Commission and allows the public to apply for a free credit report once a year from the national credit bureaus.

____

24. The ______________________ makes it faster and less costly for banks to clear checks. It allows for banks to electronically send check images instead of shipping paper checks across the country.

____

25. The

______________________________________ was created by the National Bank Act and is part of the Treasury Department. It is the primary regulator of national banks.

____

26. The __________________________ proposes various regulations applying to the financial markets to combat the recent credit crisis. This "bail-out" bill granted the US Treasury the means to purchase troubled loans, allowed the FDIC to temporarily increase deposit insurance, and permitted the government to inject additional capital into the banking system.

____

27. Federal Reserve Act authorized the creation of the Federal Deposit Insurance Corporation.

True False

28. In the United States, fixed fees charged for deposit insurance, regardless of how risky a bank is, led to a problem known as moral hazard.

True False

29. Government-sponsored deposit insurance typically encourages individual depositors to monitor their banks' behavior in accepting risk.

True False

30. The Federal Reserve changes reserve requirements frequently because the effect of these changes is small.

True False

31. The Bank Merger Act and its amendments require that Bank Holding Companies be under the jurisdiction of the Federal Reserve.

True False

32. National banks cannot merge without the prior approval of the Comptroller of the Currency.

True False

33. The Truth in Lending (or Consumer Credit Protection) Act was passed by the U.S. Congress to outlaw discrimination in providing bank services to the public.

True False

34. The federal law that states individuals and families cannot be denied a loan merely because of their age, sex, race, national origin, or religious affiliation is known as the Competitive Equality in Banking Act.

True False

35. Under the terms of the 1994 Riegle-Neal Interstate Banking and Branching Efficiency Act, adequately capitalized and managed bank holding companies can acquire a bank anywhere inside the United States.

True False

36. The 1994 Federal Interstate Banking bill does not limit the percentage of statewide or nationwide deposits that an interstate banking firm is allowed to control.

True False

37. The term "regulatory dialectic" refers to the dual system of banking regulation in the United States and selected other countries where both the federal or central government and local governments regulate banks.

True False

38. The moral hazard problem of banks is caused by the fixed insurance premiums paid by banks which make them accept greater risk.

True False

39. When the Federal Reserve buys T-bills through its open market operations, it causes the growth of bank deposits and loans to decrease.

True False

40. When the Federal Reserve increases the discount rate, it generally causes other interest rates to decrease.

True False

41. The National Bank Act (1863-64) created the Federal Reserve which acts as the lender of last resort.

True False

42. The Financial Institutions Reform, Recovery, and Enforcement Act (1989) allowed bank holding companies to acquire nonbank depository institutions and, if desired, convert them into branch offices.

True False

43. The Sarbanes-Oxley Act allows banks, insurance companies, and securities firms to form Financial Holding Companies (FHCs).

True False

44. The Gramm-Leach-Bliley Act of 1999 essentially repeals the Glass-Steagall Act passed in the 1930s.

True False

45. Passed in 1977, the Equal Credit Opportunity Act prohibits banks from discriminating against customers merely on the basis of the neighborhood in which they live.

True False

46. The tool used by the Federal Reserve System to influence the economy and behavior of banks is known as moral hazard.

True False

47. One of the principal reasons for government regulation of financial firms is to protect the safety and soundness of the financial system.

True False

48. Banks are regulated for which of the reasons listed below?

A.
B.
C.
D.
E.

49. An institutional arrangement in which federal and state authorities both have significant bank regulatory powers is referred to as:

A.
B.
C.
D.
E.

50. The law that set up the federal banking system and provided for the chartering of national banks was the:

A.
B.
C.
D.
E.

51. The federal law that prohibited federally supervised commercial banks from offering investment banking services on privately issued securities is known as:

A.
B.
C.
D.
E.

52. The Gramm-Leach-Bliley Act (Financial Services Modernization Act) calls for linking the government supervision of the financial-services firm to the types of activities that the firm undertakes. For example, the insurance portion of the firm would be regulated by state insurance commissions and the banking portion of the firm would be regulated by banking regulators. This approach to government supervision of financial services is known as:

A.
B.
C.
D.
E.

53. The Federal Reserve policy tool under which the Fed attempts to bring psychological pressure to bear on individuals and institutions to conform to the Fed's policies using letters, phone calls, and speeches is known as:

A.
B.
C.
D.
E.

54. The 1994 law that allowed bank holding companies to acquire banks anywhere in the U.S. is:

A.
B.
C.
D.
E.

55. Of the principal reasons for regulating banks, what was the primary purpose of the National Banking Act (1863)?

A.
B.
C.
D.
E.

56. Of the principal reasons for regulating banks, what was the primary purpose of the Federal Reserve Act of 1913?

A.
B.
C.
D.
E.

57. The law which lifted government deposit interest ceilings in favor of competitive interest rates is:

A.
B.
C.
D.
E.

58. The law that allows banks to affiliate with insurance companies and securities firms to form financial services conglomerates is:

A.
B.
C.
D.
E.

59. Of the principal reasons for regulating banks, what was the primary purpose of the Consumer Credit Protection Act?

A.
B.
C.
D.
E.

60. Which of the following is an unresolved issue in the new century?

A.
B.
C.
D.
E.

61. The law that made bank and nonbank depository institutions more alike in the services they could offer and allowed banks and thrifts to more fully compete with other financial institutions is:

A.
B.
C.
D.
E.

62. The act that allowed bank holding companies to acquire nonbank depository institutions and convert them to branches is:

A.
B.
C.
D.
E.

63. The equivalent of the Federal Reserve System in Europe is known as the:

A.
B.
C.
D.
E.

64. As per the Gramm-Leach-Bliley Act, one of the ways through which a banking-insurance-securities affiliation can take place is through:

A.
B.
C.
D.
E.

65. The act which requires financial institutions to share information about customer identities with government agencies is:

A.
B.
C.
D.
E.

66. The 1977 act that prevents banks from "redlining" certain neighborhoods, refusing to serve those areas is:

A.
B.
C.
D.
E.

67. Common minimum capital requirements on banks in leading industrialized nations that are based on the riskiness of their assets is imposed by:

A.
B.
C.
D.
E.

68. The fastest growing financial crime in the U.S. is:

A.
B.
C.
D.
E.

69. The oldest federal bank agency is the:

A.
B.
C.
D.
E.

70. The federal agency that regulates the most banks is the:

A.
B.
C.
D.
E.

71. Which federal banking act requires that financial service providers establish the identity of customers opening new accounts?

A.
B.
C.
D.
E.

72. Which federal banking act prohibits publishing false or misleading information about the financial performance of a public company and requires top corporate officers to vouch for the accuracy of their company's financial statements?

A.
B.
C.
D.
E.

73. Which federal banking act reduces the need for banks to transport paper checks across the country?

A.
B.
C.
D.
E.

74. Which federal banking act forces more individuals to repay at least part of what they owe and will push higher-income borrowers into more costly forms of bankruptcy?

A.
B.
C.
D.
E.

75. Which federal banking act requires the Federal Trade Commission to make it easier for victims of identity theft to file theft reports and requires credit bureaus to help victims resolve the problem?

A.
B.
C.
D.
E.

76. The _________ allows adequately capitalized bank holding companies to acquire banks in any state.

A.
B.
C.
D.
E.

77. One of the earliest theories regarding the impact of regulation on banks was developed by George Stigler. He contends that:

A.
B.
C.
D.
E.

78. Samuel Peltzman had a different view to George Stigler on the impact of regulation on banks. He contends that:

A.
B.
C.
D.
E.

79. There is an important debate raging today regarding whether banks should be regulated at all. George Benston contends that:

A.
B.
C.
D.
E.

80. The European Central Bank has the main goal of:

A.
B.
C.
D.
E.

81. Which of the following has become the principal tool of central bank monetary policy today?

A.
B.
C.
D.
E.

82. The Federal Reserve buys Treasury Bills in the open market. This will tend to:

A.
B.
C.
D.
E.

83. Which federal banking act extends deposit insurance coverage on qualified retirement accounts from $100,000 to $250,000 and authorizes the FDIC to periodically increase deposit insurance coverage to keep up with inflation?

A.
B.
C.
D.
E.

84. The Financial Services Regulatory Relief Act of 2006:

A.
B.
C.
D.
E.

85. The Emergency Economic Stabilization Act passed in 2008 during the global credit crisis, allowed for:

A.
B.
C.
D.
E.

86. As per the National Currency and Bank Acts, the comptroller of currency ensures that every national bank is examined by a team of federal examiners at least:

A.
B.
C.
D.
E.

87. _____ requires corporations controlling two or more banks to register with the Federal Reserve Board and seek approval for any new business acquisitions.

A.
B.
C.
D.
E.

88. _____ allows European and foreign banks greater freedom to cross national borders.

A.
B.
C.
D.
E.

89. Which of the following acts created a Financial Stability Oversight Council to dampen systemic risk?

A.
B.
C.
D.
E.

90. Which of the following created the Truth in Savings Act?

A.
B.
C.
D.
E.

Chapter 02 The Impact of Government Policy and Regulation on the Financial-Services Industry Key

1. The ____________________ was created as part of the Glass-Steagall Act. In the beginning it insured deposits up to $2,500.

   Federal Deposit Insurance Corporation

   Rose - Chapter 02 #1

2. The _______________________ is the law that states that a bank must get federal approval in order to combine with another bank.

   Bank Merger Act

   Rose - Chapter 02 #2

3. One tool that the Federal Reserve uses to control the money supply is _______________. The Federal Reserve will buy and sell T-bills, bonds, notes, and selected federal agency securities when they are using this tool of monetary policy.

   open market operations

   Rose - Chapter 02 #3

4. The _________________________ was created in 1913 in response to a series of economic depressions and failures. Its principal role is to serve as the lender of last resort and to stabilize the financial markets.

   Federal Reserve

   Rose - Chapter 02 #4

5. The McFadden Act and the Douglas amendment which prevented banks from crossing state lines were later repealed by the ______________________________.

   Riegle-Neal Interstate Banking and Branching Efficiency Act

   Rose - Chapter 02 #5

6. The policy of FDIC to levy fixed insurance premiums regardless of the risk involved, led to a/an _____________ problem among banks. The fixed premiums encouraged banks to accept greater risk.

moral hazard

Rose - Chapter 02 #6

7. In 1980, the __________________________ was passed, which lifted U.S government ceilings on deposit interest rates in favor of free-market interest rates.

DIDMCA

Rose - Chapter 02 #7

8. One tool that the Federal Reserve uses to control the money supply is ________________. The Federal Reserve will change the interest rate they charge for short-term loans when they are using this tool of monetary policy.

changing the discount rate

Rose - Chapter 02 #8

9. The first major federal banking law in the U.S. was the _________________________. This law was passed during the Civil War and set up a system for chartering new national banks through the OCC.

National Bank Act

Rose - Chapter 02 #9

10. The _________________________ was passed during the Great Depression. It separated investment and commercial banks and created the FDIC.

Glass-Steagall Act

Rose - Chapter 02 #10

11. The __________________________ brought bank holding companies under the jurisdiction of the Federal Reserve.

Bank Holding Company Act

Rose - Chapter 02 #11

12. The __________________________ allows adequately capitalized and managed bank holding companies to acquire banks anywhere in the United States. However, no one bank can control more than 30 percent of the deposits in any one state (unless the state waives this restriction) or more than 10 percent of the deposits across the country.

<u>Riegle-Neal Interstate Banking and Branching Efficiency Act</u>

Rose - Chapter 02 #12

13. The ___________________________ allows well-managed and well-capitalized banking companies with satisfactory CRA ratings to affiliate with insurance companies and securities firms either through a financial holding company or through a subsidiary firm owned by a bank.

<u>Gramm-Leach-Bliley Act (Financial Services Modernization Act)</u>

Rose - Chapter 02 #13

14. Customers of financial-service companies may _____________________ of having their private information shared with a third party, such as a telemarketer. However, in order to do this, they must tell the financial-services company in writing that they do not want their personal information shared with outside parties.

<u>opt out</u>

Rose - Chapter 02 #14

15. The federal bank regulatory agency which examines the most banks is the _____________.

<u>FDIC</u>

Rose - Chapter 02 #15

16. The _________________ requires selected financial institutions to report suspicious activity in customer accounts to the Treasury Department.

<u>USA Patriot Act</u>

Rose - Chapter 02 #16

17. The central bank of the new European Union is known as the ______________________.

European Central Bank or ECB

Rose - Chapter 02 #17

18. The _____________________ Act prohibits banks and publicly owned firms from publishing false or misleading financial performance information.

Sarbanes-Oxley

Rose - Chapter 02 #18

19. One of the main roles of the Federal Reserve today is ________________. They have three tools that they use today to carry out this role: open market operations, the discount rate, and legal reserve requirements.

monetary policy

Rose - Chapter 02 #19

20. The _____________________________ is the center of authority and decision making within the Federal Reserve. It consists of seven members appointed by the president for terms not exceeding 14 years.

Board of Governors

Rose - Chapter 02 #20

21. The main regulators of insurance companies are ____________________________.

state insurance commissions

Rose - Chapter 02 #21

22. Federal Credit Unions are regulated and examined by _________________________________.

the National Credit Union Administration

Rose - Chapter 02 #22

23. The ________________________________ makes it easier for victims of identity theft to file a theft report with the Federal Trade Commission and allows the public to apply for a free credit report once a year from the national credit bureaus.

Fair and Accurate Credit Transactions Act (FACT Act)

Rose - Chapter 02 #23

24. The ____________________ makes it faster and less costly for banks to clear checks. It allows for banks to electronically send check images instead of shipping paper checks across the country.

Check 21 Act

Rose - Chapter 02 #24

25. The

____

was created by the National Bank Act and is part of the Treasury Department. It is the primary regulator of national banks.

Office of the Comptroller of the Currency (OCC)

Rose - Chapter 02 #25

26. The ________________________ proposes various regulations applying to the financial markets to combat the recent credit crisis. This "bail-out" bill granted the US Treasury the means to purchase troubled loans, allowed the FDIC to temporarily increase deposit insurance, and permitted the government to inject additional capital into the banking system.

Emergency Economic Stabilization Act of 2008

Rose - Chapter 02 #26

27. Federal Reserve Act authorized the creation of the Federal Deposit Insurance Corporation.

FALSE

Rose - Chapter 02 #27

28. In the United States, fixed fees charged for deposit insurance, regardless of how risky a bank is, led to a problem known as moral hazard.

TRUE

Rose - Chapter 02 #28

29. Government-sponsored deposit insurance typically encourages individual depositors to monitor their banks' behavior in accepting risk.

FALSE

Rose - Chapter 02 #29

30. The Federal Reserve changes reserve requirements frequently because the effect of these changes is small.

FALSE

Rose - Chapter 02 #30

31. The Bank Merger Act and its amendments require that Bank Holding Companies be under the jurisdiction of the Federal Reserve.

FALSE

Rose - Chapter 02 #31

32. National banks cannot merge without the prior approval of the Comptroller of the Currency.

TRUE

Rose - Chapter 02 #32

33. The Truth in Lending (or Consumer Credit Protection) Act was passed by the U.S. Congress to outlaw discrimination in providing bank services to the public.

FALSE

Rose - Chapter 02 #33

34. The federal law that states individuals and families cannot be denied a loan merely because of their age, sex, race, national origin, or religious affiliation is known as the Competitive Equality in Banking Act.

FALSE

Rose - Chapter 02 #34

35. Under the terms of the 1994 Riegle-Neal Interstate Banking and Branching Efficiency Act, adequately capitalized and managed bank holding companies can acquire a bank anywhere inside the United States.

TRUE

Rose - Chapter 02 #35

36. The 1994 Federal Interstate Banking bill does not limit the percentage of statewide or nationwide deposits that an interstate banking firm is allowed to control.

FALSE

Rose - Chapter 02 #36

37. The term "regulatory dialectic" refers to the dual system of banking regulation in the United States and selected other countries where both the federal or central government and local governments regulate banks.

FALSE

Rose - Chapter 02 #37

38. The moral hazard problem of banks is caused by the fixed insurance premiums paid by banks which make them accept greater risk.

TRUE

Rose - Chapter 02 #38

39. When the Federal Reserve buys T-bills through its open market operations, it causes the growth of bank deposits and loans to decrease.

FALSE

Rose - Chapter 02 #39

40. When the Federal Reserve increases the discount rate, it generally causes other interest rates to decrease.

FALSE

Rose - Chapter 02 #40

41. The National Bank Act (1863-64) created the Federal Reserve which acts as the lender of last resort.

FALSE

Rose - Chapter 02 #41

42. The Financial Institutions Reform, Recovery, and Enforcement Act (1989) allowed bank holding companies to acquire nonbank depository institutions and, if desired, convert them into branch offices.

TRUE

Rose - Chapter 02 #42

43. The Sarbanes-Oxley Act allows banks, insurance companies, and securities firms to form Financial Holding Companies (FHCs).

FALSE

Rose - Chapter 02 #43

44. The Gramm-Leach-Bliley Act of 1999 essentially repeals the Glass-Steagall Act passed in the 1930s.

TRUE

Rose - Chapter 02 #44

45. Passed in 1977, the Equal Credit Opportunity Act prohibits banks from discriminating against customers merely on the basis of the neighborhood in which they live.

FALSE

Rose - Chapter 02 #45

46. The tool used by the Federal Reserve System to influence the economy and behavior of banks is known as moral hazard.

FALSE

Rose - Chapter 02 #46

47. One of the principal reasons for government regulation of financial firms is to protect the safety and soundness of the financial system.

TRUE

Rose - Chapter 02 #47

48. Banks are regulated for which of the reasons listed below?

A.
B.
C.
D.
E.

Rose - Chapter 02 #48

49. An institutional arrangement in which federal and state authorities both have significant bank regulatory powers is referred to as:

A.
B.
C.
D.
E.

Rose - Chapter 02 #49

50. The law that set up the federal banking system and provided for the chartering of national banks was the:

A.
B.
C.
D.
E.

Rose - Chapter 02 #50

51. The federal law that prohibited federally supervised commercial banks from offering investment banking services on privately issued securities is known as:

A.
B.
C.
D.
E.

Rose - Chapter 02 #51

52. The Gramm-Leach-Bliley Act (Financial Services Modernization Act) calls for linking the government supervision of the financial-services firm to the types of activities that the firm undertakes. For example, the insurance portion of the firm would be regulated by state insurance commissions and the banking portion of the firm would be regulated by banking regulators. This approach to government supervision of financial services is known as:

A.
B.
C.
D.
E.

Rose - Chapter 02 #52

53. The Federal Reserve policy tool under which the Fed attempts to bring psychological pressure to bear on individuals and institutions to conform to the Fed's policies using letters, phone calls, and speeches is known as:

A.
B.
C.
D.
E.

Rose - Chapter 02 #53

54. The 1994 law that allowed bank holding companies to acquire banks anywhere in the U.S. is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #54

55. Of the principal reasons for regulating banks, what was the primary purpose of the National Banking Act (1863)?

A.
B.
C.
D.
E.

Rose - Chapter 02 #55

56. Of the principal reasons for regulating banks, what was the primary purpose of the Federal Reserve Act of 1913?

A.
B.
C.
D.
E.

Rose - Chapter 02 #56

57. The law which lifted government deposit interest ceilings in favor of competitive interest rates is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #57

58. The law that allows banks to affiliate with insurance companies and securities firms to form financial services conglomerates is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #58

59. Of the principal reasons for regulating banks, what was the primary purpose of the Consumer Credit Protection Act?

A.
B.
C.
D.
E.

Rose - Chapter 02 #59

60. Which of the following is an unresolved issue in the new century?

A.
B.
C.
D.
E.

Rose - Chapter 02 #60

61. The law that made bank and nonbank depository institutions more alike in the services they could offer and allowed banks and thrifts to more fully compete with other financial institutions is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #61

62. The act that allowed bank holding companies to acquire nonbank depository institutions and convert them to branches is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #62

63. The equivalent of the Federal Reserve System in Europe is known as the:

A.
B.
C.
D.
E.

Rose - Chapter 02 #63

64. As per the Gramm-Leach-Bliley Act, one of the ways through which a banking-insurance-securities affiliation can take place is through:

A.
B.
C.
D.
E.

Rose - Chapter 02 #64

65. The act which requires financial institutions to share information about customer identities with government agencies is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #65

66. The 1977 act that prevents banks from "redlining" certain neighborhoods, refusing to serve those areas is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #66

67. Common minimum capital requirements on banks in leading industrialized nations that are based on the riskiness of their assets is imposed by:

A.
B.
C.
D.
E.

Rose - Chapter 02 #67

68. The fastest growing financial crime in the U.S. is:

A.
B.
C.
D.
E.

Rose - Chapter 02 #68

69. The oldest federal bank agency is the:

A.
B.
C.
D.
E.

Rose - Chapter 02 #69

70. The federal agency that regulates the most banks is the:

A.
B.
C.
D.
E.

Rose - Chapter 02 #70

71. Which federal banking act requires that financial service providers establish the identity of customers opening new accounts?

A.
B.
C.
D.
E.

Rose - Chapter 02 #71

72. Which federal banking act prohibits publishing false or misleading information about the financial performance of a public company and requires top corporate officers to vouch for the accuracy of their company's financial statements?

A.
B.
C.
D.
E.

Rose - Chapter 02 #72

73. Which federal banking act reduces the need for banks to transport paper checks across the country?

A.
B.
C.
D.
E.

Rose - Chapter 02 #73

74. Which federal banking act forces more individuals to repay at least part of what they owe and will push higher-income borrowers into more costly forms of bankruptcy?

A.
B.
C.
D.
E.

Rose - Chapter 02 #74

75. Which federal banking act requires the Federal Trade Commission to make it easier for victims of identity theft to file theft reports and requires credit bureaus to help victims resolve the problem?

A.
B.
C.
D.
E.

Rose - Chapter 02 #75

76. The _________ allows adequately capitalized bank holding companies to acquire banks in any state.

A.
B.
C.
D.
E.

Rose - Chapter 02 #76

77. One of the earliest theories regarding the impact of regulation on banks was developed by George Stigler. He contends that:

A.
B.
C.
D.
E.

Rose - Chapter 02 #77

78. Samuel Peltzman had a different view to George Stigler on the impact of regulation on banks. He contends that:

A.
B.
C.
D.
E.

Rose - Chapter 02 #78

79. There is an important debate raging today regarding whether banks should be regulated at all. George Benston contends that:

A.
B.
C.
D.
E.

Rose - Chapter 02 #79

80. The European Central Bank has the main goal of:

A.
B.
C.
D.
E.

Rose - Chapter 02 #80

81. Which of the following has become the principal tool of central bank monetary policy today?

A.
B.
C.
D.
E.

Rose - Chapter 02 #81

82. The Federal Reserve buys Treasury Bills in the open market. This will tend to:

A.
B.
C.
D.
E.

Rose - Chapter 02 #82

83. Which federal banking act extends deposit insurance coverage on qualified retirement accounts from $100,000 to $250,000 and authorizes the FDIC to periodically increase deposit insurance coverage to keep up with inflation?

A.
B.
C.
D.
E.

Rose - Chapter 02 #83

84. The Financial Services Regulatory Relief Act of 2006:

A.
B.
C.
D.
E.

Rose - Chapter 02 #84

85. The Emergency Economic Stabilization Act passed in 2008 during the global credit crisis, allowed for:

A.
B.
C.
D.
E.

Rose - Chapter 02 #85

86. As per the National Currency and Bank Acts, the comptroller of currency ensures that every national bank is examined by a team of federal examiners at least:

A.
B.
C.
D.
E.

Rose - Chapter 02 #86

87. _____ requires corporations controlling two or more banks to register with the Federal Reserve Board and seek approval for any new business acquisitions.

A.
B.
C.
D.
E.

Rose - Chapter 02 #87

88. _____ allows European and foreign banks greater freedom to cross national borders.

A.
B.
C.
D.
E.

Rose - Chapter 02 #88

89. Which of the following acts created a Financial Stability Oversight Council to dampen systemic risk?

A.
B.
C.
D.
E.

Rose - Chapter 02 #89

90. Which of the following created the Truth in Savings Act?

A.
B.
C.
D.
E.

Rose - Chapter 02 #90

Chapter 02 The Impact of Government Policy and Regulation on the Financial-Services Industry Summary