

# Unit 6 Assignment: Monetary Policy

**Due: Sunday by 11:59 pm at the end of Unit 6.**

## **Monetary Policy: What works?**

Monetary policy by the US Federal Reserve is important for the US economy. However, economists disagree about several aspects of Federal Reserve decision-making powers including the composition of the Federal Reserve committees, Federal Reserve goals, and the actual impact of Federal Reserve policy on the economy. Address the following questions for this week's assignment:

- Provide a brief (one paragraph) overview of this week's material.
- Should the Federal Reserve Board focus exclusively on the problem of inflation?
- What other goals are appropriate for Federal Reserve policy?
- What is the appropriate goal for the inflation rate?
- How should the Federal Reserve Board use its policy to achieve its goals?
- How effective is the Federal Reserve monetary policy in achieving its goals?
- Is the composition of the decision-making bodies of the Federal Reserve appropriate for a democracy?

For information from the Federal Reserve Board itself, go to the Board of Governors of the Federal Reserve System at: <http://www.federalreserve.gov/>

The Board of Governors site contains the Fed's Beige Book, Congressional testimony and speeches of Federal Reserve Board members, Federal Open Market Committee (FOMC) information, press releases, current interest rate information, and general information about the Federal Reserve System. A PDF-format version of The Federal Reserve System: Purposes and Functions, a thorough overview of the Federal Reserve System, is available by chapter or as a single document.

In addition, the site contains a summary of Federal Reserve regulations. Particularly useful is the publication, "Purposes and Functions of the Federal Reserve System" at:

<http://www.federalreserve.gov/pf/pf.htm>

And, "Monetary Policy: An Introduction"

<http://www.frbsf.org/publications/federalreserve/monetary/index.html>

Criticism of the Federal Reserve Board comes from both conservatives and liberals sides.

For a liberal viewpoint see the Financial Markets Center at:

[http://www.communityinvestmentnetwork.org/nc/single-news-item-states/article/financial-markets-center/?tx\\_ttnews%5BbackPid%5D=326](http://www.communityinvestmentnetwork.org/nc/single-news-item-states/article/financial-markets-center/?tx_ttnews%5BbackPid%5D=326)

For a conservative viewpoint, see the Shadow Open Market Committee at:

<http://shadowfed.org/>

Your final product will be a paper that:

- Addresses each of the questions above in total.
- Is APA formatted.
- The body is to be 2 pages minimum.

The requirements for your assignment are:

1. Answer each question fully
2. Define the overall subject of each question.
3. Cite at least four (4) resources from this week's materials

**Students: Be sure to read the criteria and review the grading rubric on the next page, by which your paper/project will be evaluated, before you write, and again after you write.**

### Evaluation Rubric for *Unit 6* Assignment

<i><b>CRITERIA</b></i>	<i><b>Deficient</b></i>	<i><b>Proficient</b></i>	<i><b>Exemplary</b></i>	<i><b>Points Earned</b></i>
Overview of the Topic	<b>0-13 Points</b> Does not provide an adequate overview or is missing.	<b>14-22 Points</b> Overview is presented, though may not be clear or complete.	<b>23-30 Points</b> Overview is clearly presented including all criteria outlined above.	
Complete Answers	<b>0-11 Points</b> Questions unanswered and/or poorly answered.	<b>12-23 Points</b> All questions answered with 1-2 sentence inputs.	<b>24-45 Points</b> All questions answered with depth and clarity.	
References to Course Materials	<b>0-5 Points</b> Less than 4 references, no assimilation to the questions.	<b>6-10 Points</b> 4 references, minimal assimilation to the questions.	<b>11-15 Points</b> 5 or more references and assimilations show depth and clarity.	
APA Format	<b>0-1 Point</b> Format has errors that impede professional presentation; and/or APA not followed, reference page missing.	<b>2-3 Points</b> APA format and reference page has few errors that do not impede professional presentation.	<b>4-5 Points</b> APA format and reference page is clear, professional, and error free.	
Writing Quality	<b>0-1 Point</b> More than 7 writing errors, to include spelling and punctuation.	<b>2-3 Points</b> More than 4 writing errors, to include spelling and punctuation.	<b>4-5 Points</b> No writing errors.	
<b>Total</b>				<b>100</b>

