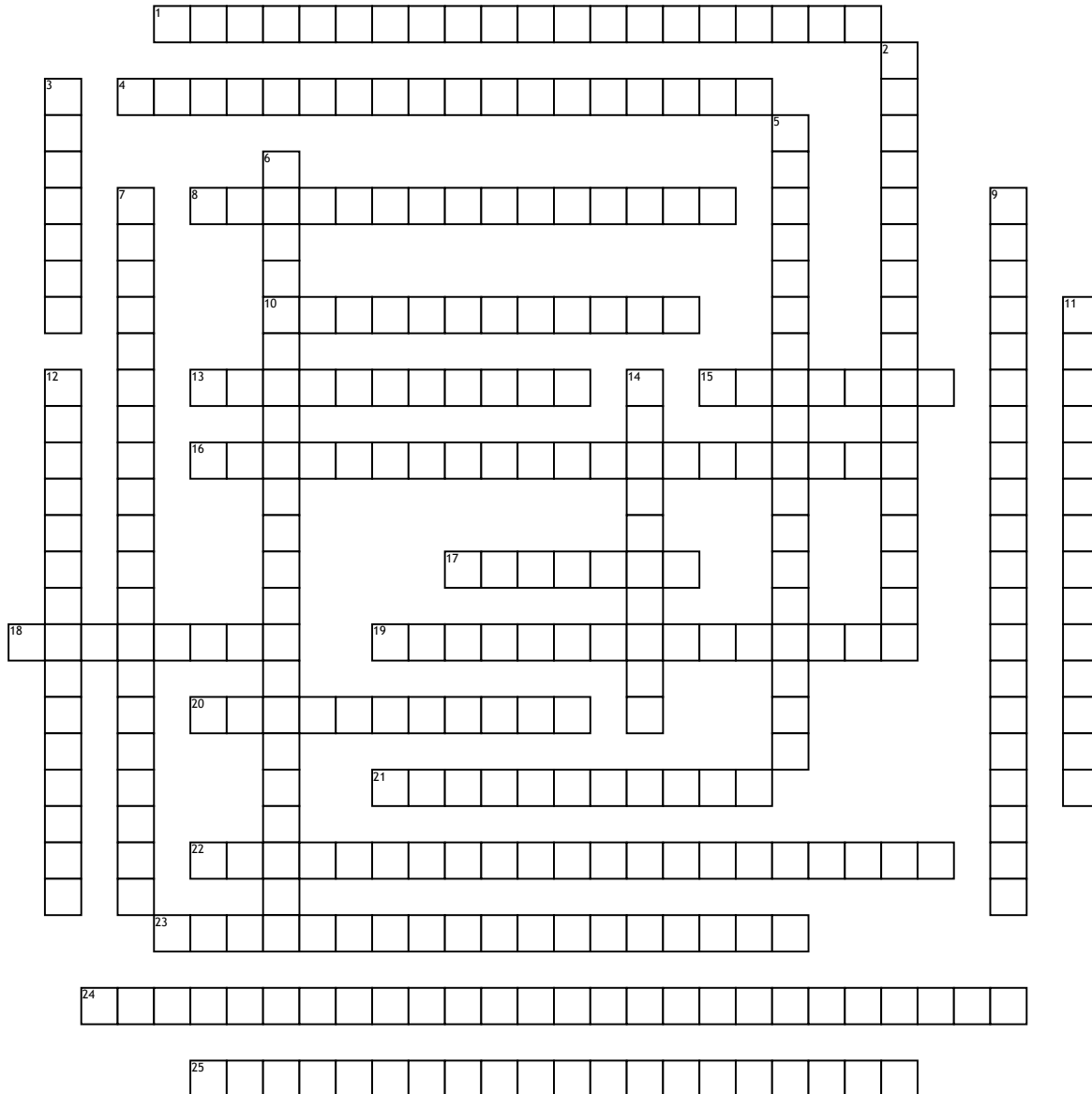# Chapter 3

Across

1. the exact percentage of deposits a bank must hold in reserve

4. measures that use input market costs

8. the vault cash and deposits used to satisfy reserve requirements

10. a market where assets are sold

13. an authorization from the government granting permission to operate

15. an insurance company employee who calculates the premium for a life insurance policy

16. Purchases and sales of government securities and foreign currencies conducted in the Federal Reserve Bank

17. a series of equal payments made at regular time intervals for a specified period of time

18. amount of money that banks are required to keep on hand

19. exist primarily to lend money to businesses

20. set up to pay retirement benefits for employees

21. a market where assets are purchased

22. mission is to help the sales of some corporation

23. rate charged to borrowers minus the rate paid to depositors

24. in the business to take in deposits and lend money, primarily mortgage loans

25. can channel their funds into financial institutions by purchasing savings accounts

Down

2. assets that can be quickly sold and converted into cash

3. another term for saving and loan associations

5. protects a policyholder against their own negligence

6. the value of an item of manufacturing equipment is measured by estimating the discounted present value of the stream of future net operating cash inflows it's expected to generate over its operating life Historical cost - the amount spent to buy the asset constitutes the past sacrifice

7. Purchases and sales of government securities and foreign currencies conducted in the Federal Reserve Bank

9. serves as the central bank of the United States

11. the process when funds flow from surplus economic units to a financial institution to a deficit economic unit

12. operating assets expected to yield their economic benefits (or service potential) over a period longer than one year

14. the risk that the issuer of a security may fail to make promised payments to the investor at the times specified