**Chapter 1 – Introduction**

**NEW CONCEPTS INTRODUCED**

* Money and financial assets
* Financial markets
* Central banks
* Banking system and financial institutions

**CHAPTER OUTLINE AND TEACHING HINTS**

1-1 Why Study This Stuff?

* This book should be the start of discussion, debates, and arguments.
* The material matters because it brought about the worst economic slowdown since the Great Depression of the 1930s.
* It affects the lives of so many people who will never fully understand how it works.

1-2 The Key Components

1-2a Money and Financial Assets

* Assets are things of value or things that are useful
* Financial assets are intangible assets

1-2b Financial Markets

* Several different financial markets
* Vital to the economy
* Require oversight and regulation

1-2c Central Banks

* Federal Reserve is not the only central bank
* The global financial markets can be learned by understanding how the central banks function

1-2d Banking System and Financial Institutions

* Managing risk vs. the push for profits
* Competition in the financial markets