

**POLS 4790H POLITICS OF FINANCE**  
**2014 FIRST EXAM STUDY QUESTIONS (ALL SHORT ANSWER)**

---

- 1. What are 3 necessary conditions to establish Capitalism?**
- 2. State the basic set of beliefs that was Mercantilism.**
- 3. What were the 4 key elements of Hamilton's Economic Program?**
- 4. Why were the US Bonds issued to pay off the Continental Congress Debt so important to the US economy?**
- 5. What were the four main purposes for the National Bank?**
- 6. What were Madison and Jefferson's objections to the National Bank?**
- 7. Economically, what is a Tariff?**
- 8. Hamilton's Policies Favored What Areas of the US?**
- 9. According to Sylla, Legler, and Wallis, why did the States issue so many Bank Charters?**
- 10. What is, exactly, a Bill of Exchange. What Legal innovation was necessary for them to become "as good as gold"?**
- 11. Give Three examples of a Financial Intermediary.**
- 12. How do Banks differ from other Financial Intermediaries?**
- 13. Define Fractional Reserve Banking.**
- 14. What was unique about the U.S. economy in the 19th Century?**
- 15. What did the State Banks do after the demise of the First Bank in 1816?**
- 16. What are the three main types of Financial Panics/Crises?**