

16.1: Why It Matters- Financial Markets and System

Why explain the institutions and markets that comprise the financial system, and explain how they impact the economy and the money supply?



Have you heard the saying “Money makes the world go around”?

In many ways money drives almost all of our endeavors. Consider why you are here taking this course. You are obtaining knowledge in order to get a better job, to obtain a degree or other credential, or to be more informed in your daily life so that you can support yourself and provide for those you love. Even if you are interested in charitable endeavors to improve the human condition, such efforts to support a cause will require money—even indirectly. Understanding how money functions—the different forms it takes and where it goes—is the first step in being able to comprehend our financial system.

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