**Name: Macro Econ Key Terms**

**Directions: Define the following terms. Modules 22**

Interest rate –

Savings-Investment spending identity –

Budget surplus –

Budget deficit –

Budget balance –

National savings –

Capital inflow –

Wealth –

Financial asset –

Physical asset –

Liability –

Transaction costs –

Financial risk –

Diversification –

Liquid –

Illiquid –

Loan –

Default -

Loan backed security –

Financial intermediary –

Mutual fund –

Pension fund –

Life Insurance company –

Bank Deposit –

Bank –

Module 22 Questions

What are the four main types of financial assets?



What is more liquid, loans or bonds, and why?

What is securitization?

What are the most important types of financial intermediaries?