**The Need for Financial Institutions**

Read the first Section, (pgs. 396-402) in your textbook and answer the following questions:

1. Describe three ways banks earn profits.
2. What is the Bank Act?
3. Briefly define the characteristics of the three classes of Canadian Banks and provide two examples of each:

|  |  |
| --- | --- |
| **Class** | **Description** |
| Schedule 1 Banks |  |
| Schedule 2 Banks |  |
| Schedule 3 Banks |  |

1. List 5 advantages of branch banking.
2. List three ways the branch banking is changing.
3. What is the function of the Bank of Canada?
4. What are the consequences of rising and falling interest rates.

**Other Financial Institutions**

Read the second section, (pages 402-405), in your textbook and use the following organizer to help guide your note-taking:

|  |  |
| --- | --- |
| **Financial Institution** | **Description** |
| Trust Companies |  |
| Caisses populaires and credit unions |  |
| Insurance companies |  |