**Key Term Test 2**

Define the following key terms. Then once you have had a go at defining them then compare your definitions to those provided in the glossary of key terms at the back of the first year and second year textbooks and using Tutor2u resources.

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| Broad Money |  |
| Capital Ratio |  |
| Commercial Bank |  |
| Currency Union |  |
| Disinflation |  |
| Equity (two meanings of this term) |  |
| Expenditure reducing policy |  |
| Financial Policy Committee |  |
| Financial Conduct Authority |  |
| FDI |  |
| Forward Guidance |  |
| Purchasing Power Parity. |  |