

## I. Banking (commercial, central)

A bank is a financial institution that is licensed to accept checking and savings deposits and make loans. Banks also provide related services such as individual retirement accounts (IRAs), certificates of deposit (CDs), currency exchange, and safe deposit boxes.

Central Bank	Commercial Bank
<b>Definition</b>	
Central bank is the apex financial institution of the country that is concerned with formation of monetary policies and the way money should be regulated in the economy	It is a type of financial institution that is concerned with providing banking services to the general public and businesses by facilitating deposit, offering loan facilities
<b>Ownership</b>	
Central bank is always having public ownership	Commercial banks can be either public or private in their ownership
<b>Number of Banks</b>	
There is only one central bank in a country	There can be many commercial banks in a country
<b>Profit Motive</b>	
Central bank does not operate for making profit	Commercial banks operate with the motive of earning profit
<b>Clients</b>	
Commercial banks and the government	Individuals and businesses
<b>Policy creator</b>	
Central banks create monetary policy to regulate interest rates in an economy	Commercial banks do not create any policies that are essential for the functioning of an economy
<b>Source of Money Supply</b>	
Central banks are the source of money supply in an	Commercial banks run on the deposits obtained

## II. Stocks and shares

A stock represents an investment and ownership interest in a publicly traded company. A share is the smallest denomination of a specific company's stock. Companies issue stock to attract investors and make money, while shares are the measure of a stock.

### What is a stock vs. a share?

Stock	Share
<ul style="list-style-type: none"><li>• Stock refers to the company that issues it (e.g., Coca-Cola stock).</li><li>• Stock represents non-specific ownership interest in a company.</li><li>• A stockholder owns stock in a company which can mean different things.</li></ul>	<ul style="list-style-type: none"><li>• A share is a unit of measurement of your ownership interest in a company (e.g., one share of IBM stock).</li><li>• A share represents a specific unit of ownership of a stock.</li><li>• A shareholder owns shares of stock in a company.</li></ul>