

Examen Corto 2 – TMBCE

- 1) For Banks, people who borrow money are an:
 - A. Liability
 - B. Asset

- 2) The amount of money a bank can create depends on:
 - A. What is permitted by law.
 - B. The number of costumers a bank has.
 - C. The required reserve rates
 - D. None of the above.

- 3) M2 can be defined as:
 - A. M1 plus bank reserves.
 - B. M1 plus saving accounts.
 - C. M1 plus checking accounts.
 - D. None of the above.

- 4) M1 can be defined as:
 - A. Currency in circulation y checkable deposits.
 - B. Currency in circulation, checkable deposits, and savings deposits.
 - C. Bank reserves and checkable deposits.
 - D. Bank reserves and saving deposits.

- 5) Money is:
 - A. An accepted means of exchange.
 - B. Anything you can use to buy something else.
 - C. Accepted because the government tells us to.
 - D. None of the answers are correct.

- 6) Banks make money trough:
 - A. The difference between the active and passive interest rate.
 - B. Money Market Funds Investments.
 - C. Credit card costs.
 - D. None of the above.

- 7) Which one is not a function of money:
 - A. Medium of exchange.
 - B. Standard of value.
 - C. Unit of account.
 - D. Store of value.

8) For banks, clients checking accounts are:

- A. Assets
- B. Liabilities

9) Which of the following is NOT a function of banks?

- A. Financial Intermediaries
- B. Deposit Institutions.
- C. Payment system intermediaries
- D. Lenders of last resort.

10) What is fiat money?

- A. Money with no intrinsic value
- B. Money that has value form another uses.
- C. Money backed up by gold.
- D. None of the above.