

Started on	Wednesday, 26 March 2025, 8:30 AM
State	Finished
Completed on	Wednesday, 26 March 2025, 8:42 AM
Time taken	11 mins 56 secs
Grade	0.00 out of 9.00 (0%)

Question **1**

Incorrect

Mark 0.00 out of 5.00

In a modern closed economy with a two-tier banking system, the economy is dominated by two commercial banks with a share of 0.6 / (1-0.6) (so on average all money spent ends up in the banks in this proportion). There is no difference in cash holdings between bank customers, with each holding on average 0.11 of their total money in cash. Reserves are currently at 2% in both banks and can never fall below this level in either bank as this would disrupt the banking system.

The smaller commercial bank offers a loan of HUF 598 to its customers, who of course spend the money. At the end of the transaction, the banks use up their free reserves.

- What is the change in the stock of outstanding loans of the larger bank to the central bank? (use one decimal)

Answer: ❌

The correct answer is: -312.95

Question **2**

Incorrect

Mark 0.00 out of 4.00

What is the change in the smaller bank's reserves? (use one decimal)

Answer: ❌

The correct answer is: 4.26

◀ [Second midterm: Medium calculations for practice \(not graded\)](#)

Jump to...



[Macro_Midterm: test part](#) ▶

