

# Macroeconomics A; EI060

## Quiz

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### 1 Precautionary savings

**Question:** What is the concept of precautionary savings? Is it always present in a situation where income is uncertain?

### 2 Complete markets

**Question:** What are complete markets?

Do complete markets mean that countries face identical situations thanks to financial trading?

Do we need a broad range of assets for financial markets to be complete?

### 3 Consumption and real exchange rate

**Question:** If asset markets are complete, what is the link between consumption and the real exchange rate?

### 4 Portfolio choice

**Question:** When agents can invest in many assets, what is the arbitrage condition? Do assets need to deliver similar expected returns?

### 5 Home bias

**Question:** What is portfolio home bias? What are models that can deliver it?