

# ACTIVITY 22.I

## Role-Playing Name Tags

<b>KEEPER OF THE MONEY SUPPLY</b>	<b>BANKER A</b>
<b>BANKER B</b>	<b>BANKER C</b>
<b>BANKER D</b>	<b>BANKER E</b>
<b>BORROWER 1</b>	<b>BORROWER 2</b>
<b>BORROWER 3</b>	<b>BORROWER 4</b>

## ACTIVITY 22.2

### Money Creation Worksheet

#### Ledger Entries

Depository Institution A	
Deposit	\$ _____
Required reserves (20% reserve requirement)	\$ _____
Excess reserves	\$ _____

Depository Institution B	
Deposit	\$ _____
Required reserves (20% reserve requirement)	\$ _____
Excess reserves	\$ _____

Depository Institution C	
Deposit	\$ _____
Required reserves (20% reserve requirement)	\$ _____
Excess reserves	\$ _____

Depository Institution D	
Deposit	\$ _____
Required reserves (20% reserve requirement)	\$ _____
Excess reserves	\$ _____

Depository Institution E	
Deposit	\$ _____
Required reserves (20% reserve requirement)	\$ _____
Excess reserves	\$ _____

#### Money Supply Expansions

Money created in Round 1
Expansion = \$ _____

Money created in Round 2
Expansion = \$ _____

Money created in Round 3
Expansion = \$ _____

Money created in Round 4
Expansion = \$ _____

The money creation process continues until a total of \$ \_\_\_\_\_ has been created.

**ACTIVITY 22.3****Money Creation Worksheet (KEY)****Ledger Entries**

<b>Depository Institution A</b>	
Deposit	<u>\$100,000</u>
Required reserves (20% reserve requirement)	<u>\$20,000</u>
Excess reserves	<u>\$80,000</u>

<b>Depository Institution B</b>	
Deposit	<u>\$80,000</u>
Required reserves (20% reserve requirement)	<u>\$16,000</u>
Excess reserves	<u>\$64,000</u>

<b>Depository Institution C</b>	
Deposit	<u>\$64,000</u>
Required reserves (20% reserve requirement)	<u>\$12,800</u>
Excess reserves	<u>\$51,200</u>

<b>Depository Institution D</b>	
Deposit	<u>\$51,200</u>
Required reserves (20% reserve requirement)	<u>\$10,240</u>
Excess reserves	<u>\$40,960</u>

<b>Depository Institution E</b>	
Deposit	<u>\$40,960</u>
Required reserves (20% reserve requirement)	<u>\$8,192</u>
Excess reserves	<u>\$32,768</u>

**Money Supply Expansions**

Money created in Round 1
Expansion = <u>\$80,000</u>

Money created in Round 2
Expansion = <u>\$64,000</u>

Money created in Round 3
Expansion = <u>\$51,200</u>

Money created in Round 4
Expansion = <u>\$40,960</u>

The money creation process continues until a total of \$400,000 has been created.