ACTIVITY 22.1

Role-Playing Name Tags

KEEPER OF THE MONEY SUPPLY	**BANKER A**
BANKER B	**BANKER C**
BANKER D	**BANKER E**
BORROWER 1	**BORROWER 2**
BORROWER 3	**BORROWER 4**

ACTIVITY 22.2

Money Creation Worksheet

Ledger Entries   **Money Supply Expansions**

Depository Institution A

Deposit $_____

Required reserves (20% reserve requirement) $_____

Excess reserves $_____

Depository Institution B

Deposit $_____

Required reserves (20% reserve requirement) $_____

Excess reserves $_____

Money created in Round 1

Expansion = $_____

Depository Institution C

Deposit $_____

Required reserves (20% reserve requirement) $_____

Excess reserves $_____

Money created in Round 2

Expansion = $_____

Depository Institution D

Deposit $_____

Required reserves (20% reserve requirement) $_____

Excess reserves $_____

Money created in Round 3

Expansion = $_____

Depository Institution E

Deposit $_____

Required reserves (20% reserve requirement) $_____

Excess reserves $_____
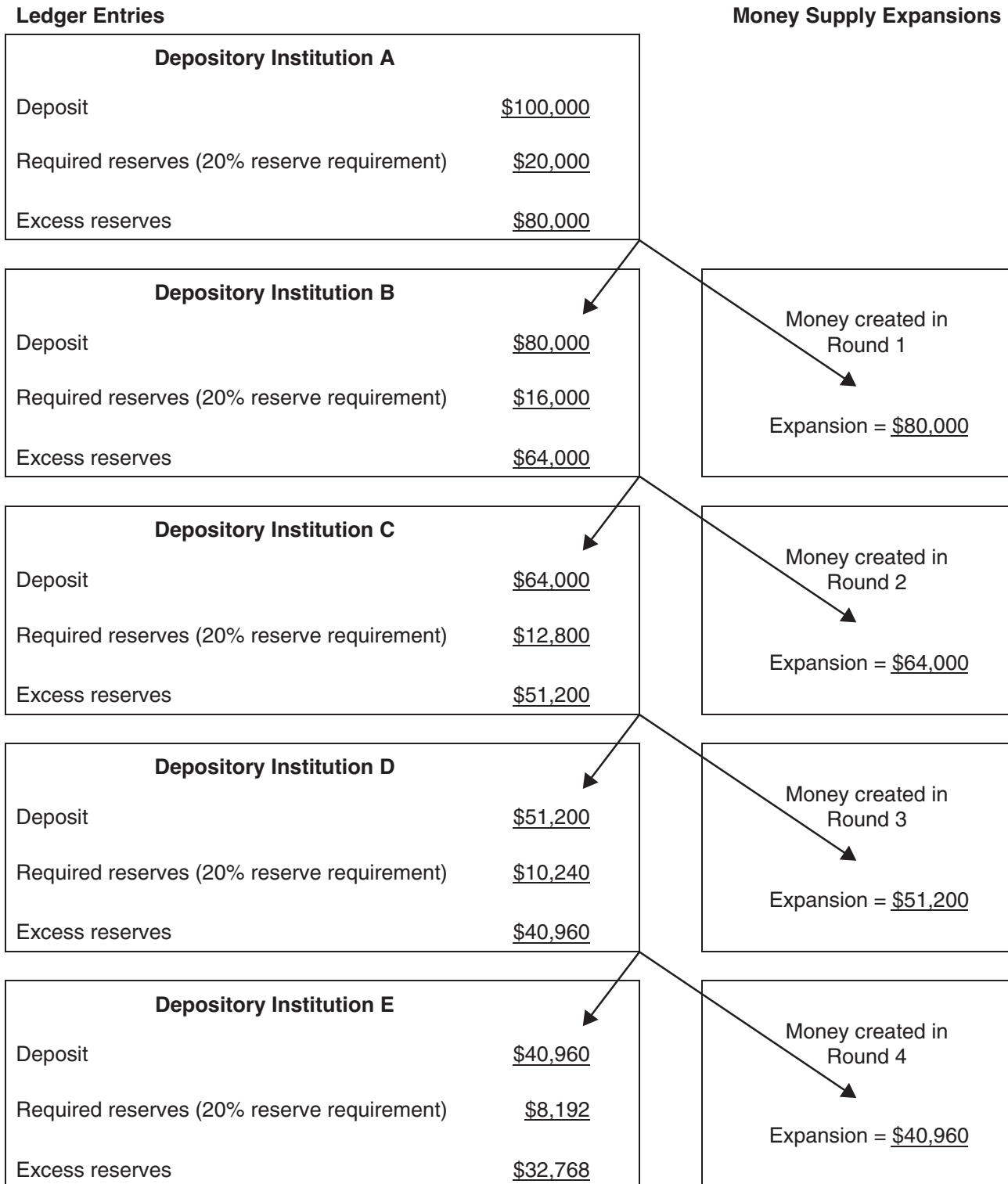
Money created in Round 4

Expansion = $_____

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

ACTIVITY 22.3

Money Creation Worksheet (KEY)

Ledger Entries   **Money Supply Expansions**

Depository Institution A

Deposit	$100,000
Required reserves (20% reserve requirement)	$20,000
Excess reserves	$80,000

Depository Institution B

Deposit	$80,000
Required reserves (20% reserve requirement)	$16,000
Excess reserves	$64,000

Money created in Round 1

Expansion = $80,000

Depository Institution C

Deposit	$64,000
Required reserves (20% reserve requirement)	$12,800
Excess reserves	$51,200

Money created in Round 2

Expansion = $64,000

Depository Institution D

Deposit	$51,200
Required reserves (20% reserve requirement)	$10,240
Excess reserves	$40,960

Money created in Round 3

Expansion = $51,200

Depository Institution E

Deposit	$40,960
Required reserves (20% reserve requirement)	$8,192
Excess reserves	$32,768

Money created in Round 4

Expansion = $40,960

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