

## **Principles of Economics II (Double Degree, Fall 2022)**

### **Homework #6**

**(Chapter 29, 30, 33, 34, due on Dec 20th, 2022)**

#### **For Chapter 29**

1. Textbook, Chapter 29, #3
2. Textbook, Chapter 29, # 6
3. Textbook, Chapter 29, #7
4. The economy of Elmendyn contains 2,000 \$1 bills.
  - a. If people hold all money as currency, what is the quantity of money as measured by M0, M1 and M2? (Hint: M0 includes only currency, while M1 includes M0 and demand deposits, and M2 includes M1 and time deposits.)
  - b. If people hold all money as demand deposits and banks maintain 100 percent reserves, what is the quantity of money as measured by M0, M1 and M2?
  - c. If people hold equal amounts of currency and demand deposits and banks maintain 100 percent reserves, what is the quantity of money as measured by M0, M1 and M2?
  - d. If people hold all money as demand deposits and banks maintain a reserve ratio of 10 percent, what is the quantity of money as measured by M0, M1 and M2?
  - e. If people hold equal amounts of currency and demand deposits and banks maintain a reserve ratio of 10 percent, what is the quantity of money as measured by M0, M1 and M2? (2 point)
  - f. If people hold equal amounts of currency, demand deposits, and time deposits, and banks maintain a reserve ratio of 100 percent, what is the quantity of money as measured by M0, M1 and M2?
  - g. If people hold equal amounts of currency, demand deposits, and time deposits, and banks maintain a reserve ratio of 10 percent for all the deposits, what is the quantity of money as measured by M0, M1 and M2?
  - h. If people hold amounts of currency, demand deposits, and time deposits with a ratio of 1: 3: 6, and banks maintain a reserve ratio of 10 percent for demand deposits, and a reserve of 5 percent for time deposits, what is the quantity of money as measured by M0, M1 and M2?

#### **For Chapter 30**

5. Textbook, Chapter 30, #1
6. Textbook, Chapter 30, #2
7. Textbook, Chapter 30, #5
8. Textbook, Chapter 30, #6
9. 假定一个经济当中一些人把原本打算消费的、以现金形式取得的收入放在床垫下面，永

不使用。则这会使得经济在长期中价格水平\_\_\_\_，这些人\_\_\_\_，其他人\_\_\_\_。在更长的长期中，经济的产出\_\_\_\_，这些人\_\_\_\_，其他人\_\_\_\_。

- A. 降低，变坏，变好。增加，变坏，变好
- B. 不变，不变，不变。不变，不变，不变
- C. 降低，变坏，变好。不变，不变，不变
- D. 降低，变坏，变好。增加，可能变好或变坏，变好

### **For Chapter 33**

- 10. Textbook, Chapter 33, #3
- 11. Textbook, Chapter 33, #7
- 12. Textbook, Chapter 33, #10

### **For Chapter 34**

- 13. Textbook, Chapter 34, #1
- 14. Textbook, Chapter 34, #3
- 15. Textbook, Chapter 34, #6
- 16. Textbook, Chapter 34, #8
- 17. Textbook, Chapter 34, #11