

Quiz: Financial Frictions (Remotely Proctored)

Due Jan 25 at 3:30pm **Points** 3 **Questions** 3 **Time Limit** 10 Minutes

Exam Requirements A webcam is required to take this exam.

Exam Security This exam will be monitored by **Proctorio**. [Learn more about Proctorio](https://proctorio.zendesk.com/hc/articles/200972514) (<https://proctorio.zendesk.com/hc/articles/200972514>).

Instructions

This is an individual quiz with a 10 minutes limit. The quiz will be proctored using Proctorio.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	1 minute	3 out of 3

Score for this quiz: **3** out of 3

Submitted Jan 21 at 9:49am

This attempt took 1 minute.

Question 1

1 / 1 pts

What is Asymmetric Information?

Correct!

- ☒ When one party in a transaction has more information than other parties
- ☐ When all parties in the transaction have the same information.
- ☐ When information reveal some asymmetry in the transaction.
- ☐ When there is no or little information available about the transaction.

Question 2

1 / 1 pts

Which one is an example of solution to a moral hazard problem?

☐ APIs allow customers to switch banks easily.

Correct!



Car insurance company tracks car speed using mobile GPS, and provides discount for people who drive slow.

By monitoring car drivers, car insurance can provide monetary benefits to align the interests of the insurance company with the interest of the drivers.



A better mobile user interface allow users to quickly find the information they need.



Deep learning modeling helps to screen who has high likelihood of defaulting.

Question 3

1 / 1 pts

Which one of the following **does not** have large search cost?



Find the best car insurance policy.



Selling a house.



Finding the cheapest price when buying a car.



Buying stocks.

Security exchanges like the NYSE, NASDAQ, and AMEX, easily and cheaply match buyers and sellers of financial securities.

Correct!

Quiz Score: **3** out of 3