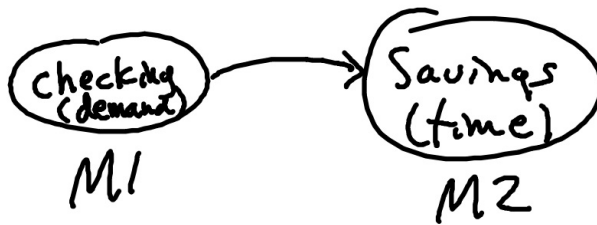


#6 M2 includes M1



#9

Bank 25% Res.

Assets	Liab
Res 20	Dep 80
Loans 60	
80	80

1. ANS: A
SKL: Critic
2. ANS: A
SKL: Defin
3. ANS: B
SKL: Conco
4. ANS: B
SKL: Defin
5. ANS: A
SKL: Defin
6. ANS: E
SKL: Critic
7. ANS: D
SKL: Defin
8. ANS: C
SKL: Defin
9. ANS: D
SKL: Critic
10. ANS: D
SKL: Critic
11. ANS: E
SKL: Defin
12. ANS: C
SKL: Conco
13. ANS: B
SKL: Fact-I
14. ANS: B
SKL: Critic

#14 RR 10% → 20%

Assets	Liab
Res ²⁰⁰ \$ 100 ,000	Dep. \$1,000,000
Loans ⁸⁰⁰ 900 ,000	
\$1,000,000	\$1,000,000

Loans ↓ \$100,000

multiplier → money supply ↓
by more than 100,000

contractuary (500,000)