



Department of Education, Sabaragamuwa/weekly school

week- February 4

Subject-Economics

Grade-13

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1. What are the reasons that motivate the people of a country to keep money in their hands?
2. Which factors determine the money supply of a country?
3. The following is the balance sheet of one of the commercial banks in a banking system that follows the statutory reserve ratio of 10%.

Liabilities (Rs.Million)		Assets (Rs.Million)	
Deposits	2,000	Reserves	250
		Loans	1,750
	2,000		2000

- (a) What is the amount of new loans extended by this bank?
 - (b) Show the balance sheet of the commercial bank immediately after granting new loan.
4. Examine the relationship between the objectives and roles of the Central Bank.
 5. (a) Explain the concepts of inflation and deflation.

(b) Which indices compiled in Sri Lanka to measure the above situations?