



Department of Education, Sabaragamuwa/weekly school

week- May 2

Subject-Economics

Grade-13

Prepared by -
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1. What is the GDP deflator? What are the major differences between GDP deflator and the Colombo Consumers' price Index?
2. Explain the concept of inflationary gap using a diagram.
3. Distinguish between the transactions demand for money and speculative demand for money.
4. Suppose that a bank customer newly deposits Rs.10,000 in the current account and the required reserve ratio is 0.25.
 - (a) What are the required reserves for this new deposit?
 - (b) What is the maximum amount of loan that the bank can grant on the basis of this new deposit?
5. Explain the role of the standing rate corridor in maintaining the stability of financial system in Sri Lanka.