



Department of Education, Sabaragamuwa/weekly school

week- January 3

Subject-Economics

Grade-13

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1. Which effects occur on Demand for money by the following factors?
  - (a) Real income
  - (b) General Price level
2. What is meant by monetary target? Which is the aim of monetary policy frame work for central bank?
3. The following is a balance sheet for one of the banks in a commercial banking system in a country.

Liabilities	Value( Million Rs.)	Assets	Value( Million Rs.)
Deposits	7000	Reserves	2000
		Securities	1000
		Loans	4000
Total	7000	Total	7000

Bank maintains excess reserves as 600 million rupees and there are found 7800 million rupees as money supply of a country.

- (a) What is the required reserve ratio?
  - (b) If the bank provides loan excess reserves, what is the amount of new deposits of banking system?
  - (c) If people deposit Rs.500 million, how will the money supply be found?
4. Name the primary reserves and earning assets of commercial bank's balance sheet.