

The Money Multiplier Formula Drill Set 1

1. With a deposit of \$3000 and a reserve requirement of 5% how much could be lent out by the bank?
2. With a deposit of \$80 and a reserve requirement of 10% how much could be lent out by the bank?
3. With initial excess reserves of \$500 and a reserve requirement of 5%, how much will be added to M1 altogether?
4. The reserve requirement is 10% and the $\Delta M1$ is \$75,000, what is the initial excess reserve?
5. With initial excess reserves of 1500 dollars and the $\Delta M1$ \$7500, what is the multiplier?
6. With a Δ deposit of \$300 and a reserve requirement of .2, how much must be kept by the bank?
7. With a Δ deposit of \$200 a bank has \$160 of excess reserves to lend. What is the reserve requirement?
8. A bank receives a new deposit of \$5,000. The rr is 25%. What is the $\Delta M1$?
9. With initial excess reserves of 500 dollars and a reserve requirement of 20%, how much will $\Delta M1$?
10. With initial excess reserves of 300 dollars and a reserve requirement of .05, how much will be added to M1 altogether?