

The Money Multiplier Formula Drill Set 2

1. With initial excess reserves of \$4,500 dollars and the $\Delta M1$ \$90,000, what is the multiplier?
2. With a Δ deposit of \$500 and a reserve requirement of .05, how much must be kept by the bank?
3. With a Δ deposit of \$20,000 a bank has \$15,000 of excess reserves to lend. What is the reserve requirement?
4. A bank receives a new deposit of \$40,000. The rr is 25%. What is the $\Delta M1$?
5. With initial excess reserves of 500 dollars and a reserve requirement of 10%, how much will $\Delta M1$?
6. With initial excess reserves of \$200 dollars and a reserve requirement of .05, how much will be added to M1 altogether?
7. With a deposit of \$6000 and a reserve requirement of 25% how much could be lent out by the bank?
8. With a deposit of \$90 and a reserve requirement of 10% how much could be lent out by the bank?
9. With initial excess reserves of \$300 and a reserve requirement of 5%, how much will be added to M1 altogether?
10. The reserve requirement is 20% and the $\Delta M1$ is \$2,800, what is the initial excess reserve?