

## **EE 431/ EE438 Economics of Financial Markets and Institution**

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### **Assignment 5**

#### **Due Date: (For Practice)**

1. ME Chapter 17 Questions: 11, 12, 13, 15
2. ME Chapter 17 Quantitative Problems: 2
3. Banking system in Benjaria (a small lavish country) has \$100 million of deposits and \$8 million of bank reserves. Its banks hold no excess reserve and lend everything out as loans. Its central bank discloses that the country's currency to deposit ratio sits at 20%. The central bank governor wants to increase credit to \$100 million, how much more currencies must the central bank pump into the economic system.
4. Calculate ROE, ROA, and NIM of Thai banks using the balance sheet and the income statement of Thai banks in the lecture note.

#### **Extra Review Questions**

- ME Chapter 3 Questions: 1, 2; Quantitative Problems: 6, 11, 12
- ME Chapter 4 Quantitative: Problems: 3
- ME Chapter 5 Questions: 5; Quantitative Problems: 2, 9
- ME Chapter 7 Questions: 8, 10
- ME Chapter 8 Questions: 4
- ME Chapter 17 Questions: 11, 12, 13
- ME Chapter 17 Quantitative Problems: 8-15