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| **AY 2021-2022**  Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Surname:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Matricola:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Economics of Money and Banking**  **Second part Mock test**    *Prof. Nicola Dimitri*    **Available time**: 90 Minutes |

**1. (11 points)**

5) Consider the Diamond-Dybvig model for banks as liquidity providers, in case of negative shocks, discussed in class.

Suppose , with Find the autharky solution, the market solution and the Pareto Optimal solution for the investment level and consumption levels . Is the market solution Pareto Efficient?

**2 (11 points)** Discuss the fragility of incomplete monetary systems.

**3 (11 points)** Discuss the lender-borrower loan contract.