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| **AY 2024-2025** Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Surname:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Matricola:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Monetary Economics (basic)****Simulation final test (Wednesday 18 December 2024)** *Prof. Nicola Dimitri*  **Available time**: 60 Minutes  |

**1. (16 points)** In the Diamond-Dybvig model suppose $U\left(c\right)=\sqrt{c}$. If $R=2 ,l=0.5=π $find the Pareto optimal allocations, the autarky and the market allocations.

**2 (16 points)** Discuss the lender-borrower relationship

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| **AY 2024-2025** Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Surname:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Matricola:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Monetary Economics (basic)****Simulation final test (Wednesday 18 December 2024)** *Prof. Nicola Dimitri*  **Available time**: 60 Minutes  |

**1. (16 points)** In the Diamond-Dybvig model suppose $U\left(c\right)=c (be careful with linearity)$ If $R=4 ,l=0.2=π $find the Pareto optimal allocations, the autarky and the market allocations.

**2 (16 points)** Discuss credit rationing