

**Money & Banking Short Questions**

**1998**

The Primary Liquidity Ratio is defined as

.....  
.....  
.....

(16 marks)

**1999**

State **ANY FOUR** functions of the Central Bank.

- (a) .....
- (b) .....
- (c) .....
- (d) .....

(17 marks)

**2003**

Define **Monetary Policy**. State **TWO** measures by which the European Central Bank implements monetary policy within the euro-zone countries.

**Definition:** \_\_\_\_\_  
\_\_\_\_\_

**Measure 1:** \_\_\_\_\_

**Measure 2:** \_\_\_\_\_

(16 marks)

**2004**

State **THREE** limitations on the power of banks to create credit.

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
- (16 marks)**

**2007**

Outline **THREE** functions/responsibilities of the **European Central Bank (ECB)**.

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
  - (iii) \_\_\_\_\_
- (16 marks)**

**2011**

In September 2010 approximately 5.1% of mortgage accounts were **in arrears** (behind on mortgage payments) of 90 days or more. Outline **two** economic **reasons** for this development and **two** actions financial institutions could take to help mortgage customers.

**Reasons:**

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

**Actions:**

- (i) \_\_\_\_\_
  - (ii) \_\_\_\_\_
- (17 marks)**

**2012**

State **three** areas of responsibility of the European Central Bank (ECB).

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

**(16 marks)**

Outline **three** factors currently affecting the rate of savings in the Irish economy.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

**(17 marks)**

**2017**

State **three** limitations on the power of banks to create credit.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

**(16 marks)**

**2018**

*Raising interest rates before the end of the decade could threaten the long sought-after economic recovery in the Eurozone, the OECD has warned.*

Outline **two** possible economic effects of an increase in interest rates on the Irish economy.

(i) \_\_\_\_\_

\_\_\_\_\_

(ii) \_\_\_\_\_

\_\_\_\_\_

**(16 marks)**