

Your Name: \_\_\_\_\_

**ANSWER SHEET: SECOND MIDTERM EXAM**  
**EC26102: MONEY, BANKING AND FINANCIAL MARKETS**  
**FEBRUARY 25, 2004**

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|-----------------------|---------------------|
| 1. C                  | 14. E               |
| 2. E                  | 15. E               |
| 3. mortgage           | 16. finance company |
| 4. D                  | 17. D               |
| 5. D                  | 18. C               |
| 6. E                  | 19. fixed payment   |
| 7. economies of scale | 20. coupon          |
| 8. diversification    | 21. A               |
| 9. adverse selection  | 22. D               |
| 10. D                 | 23. less            |
| 11. C                 | 24. D               |
| 12. E                 | 25. C               |
| 13. credit unions     |                     |