



Master in Monetary and Financial Economics

Banking and Insurance

Exam – 7 September 2018

Time: 2h

1. Characterize the role of capital requirements for banks and the main changes brought by Basel II and Basel III (5,0/20).
2. Describe liquidity risk, the main rules banks have to comply with regarding liquidity risk and strategies to mitigate this risk (5,0/20)
3. Present the main pros and cons of debt in the economy and the measures available to authorities to tackle potentially excessive debt increases. (3,0/20)
4. Identify the main impacts of the current level of short-term interest rates for Portuguese banks and the main techniques to assess the risk of interest rate fluctuations (3,5/20)
5. Characterize the evolution of bank credit in the first decade of the current century in the Portuguese financial system, as well as its main impacts. (3,5/20)