

Answer on Question #38012 - Economics - Macroeconomics

If Bank A has \$1.2 million in reserves and \$10 million in deposits, required-reserve ratio is 10% and it loses \$200,000 in reserves, its reserves still cover its deposits ( $\$1\text{m} = 10\%$  of  $\$10\text{m}$ ), so its reserves are efficient.