

**Title:** Bank Runs and Noisy Signals

**Author:** Juntip Boonprakaikawe,  
Sayantan Ghosal\*,  
Department of Economics, University of Warwick

**Print Source:** Chulalongkorn Journal of Economics, May 2004, Vol.16, No.2,  
Pp.125-146

**Table of Content:** Abstract  
1. Introduction  
2. Banking with Noisy Signals  
3. Liquidity Shock, Risk Sharing and Minimum Size  
4. Empirical and Policy Issues  
5. Conclusion  
References

**Abstract:** We show that, with noisy signals on the economic fundamentals multiple equilibria exist in models of banking. We argue that the conditions under which this happens arise naturally in models of banking.

*Key Words:* banking, fundamentals, signals, equilibria.

*JEL classification:* D80, D82, G21

\* We would like to thank Marcus Miller, Joanthan, Myrna Wooders and the seminar audiences at the Asian Crisis III conference in Tokyo and CSGR (Warwick) for their valuable comments. The first author would like to acknowledge the Thai Government and the CSGR, University of Warwick for financial support. Please address all correspondence to: S. Ghosal, Department of Economics, and University of Warwick, and Coventry CV4AL, e-mail: S.Ghosal@warwick.ac.uk

[Download Abstract Available](#)