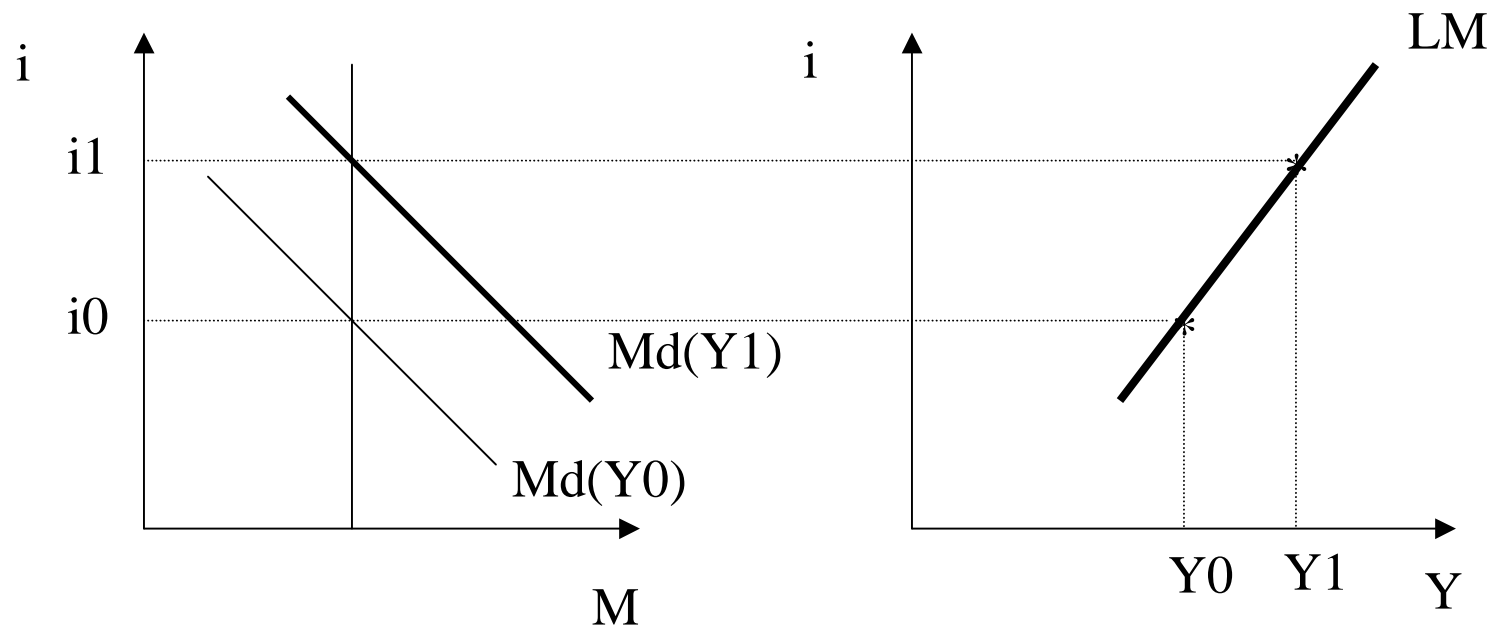


Lecture 9: IS-LM /Review

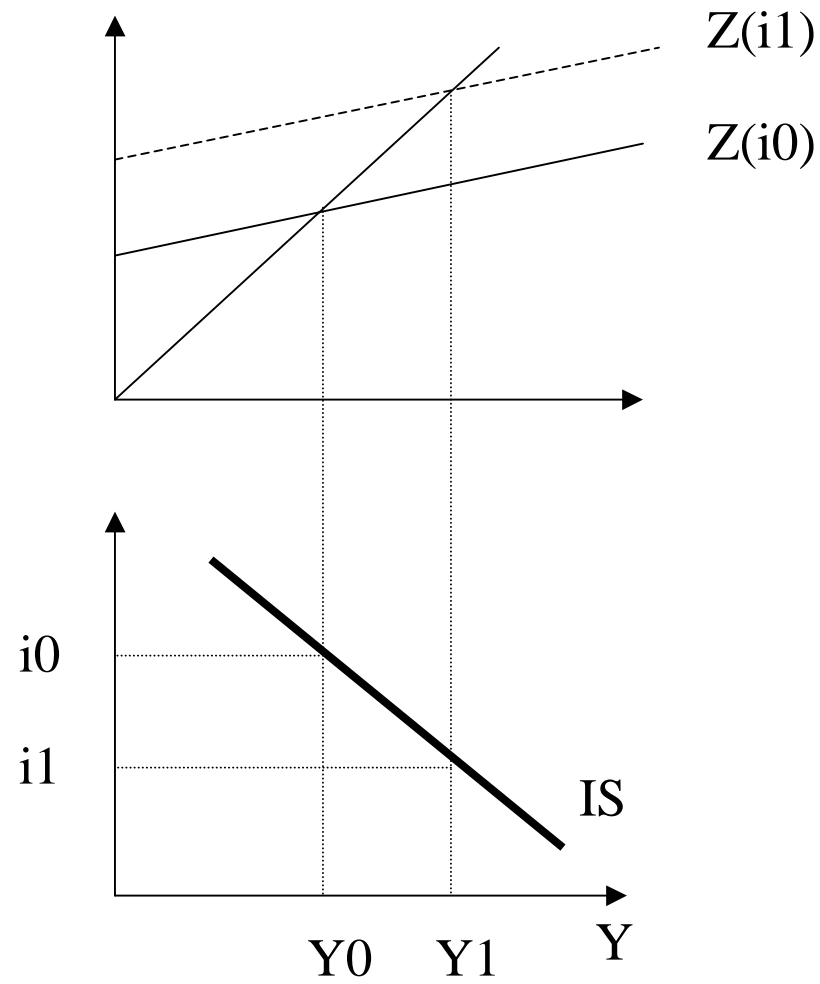
- Current events (CBS 10/05/99)
- Review Lecture 8
 - IS - LM

LM



A) Expansionary Monetary Policy; B) Y2k

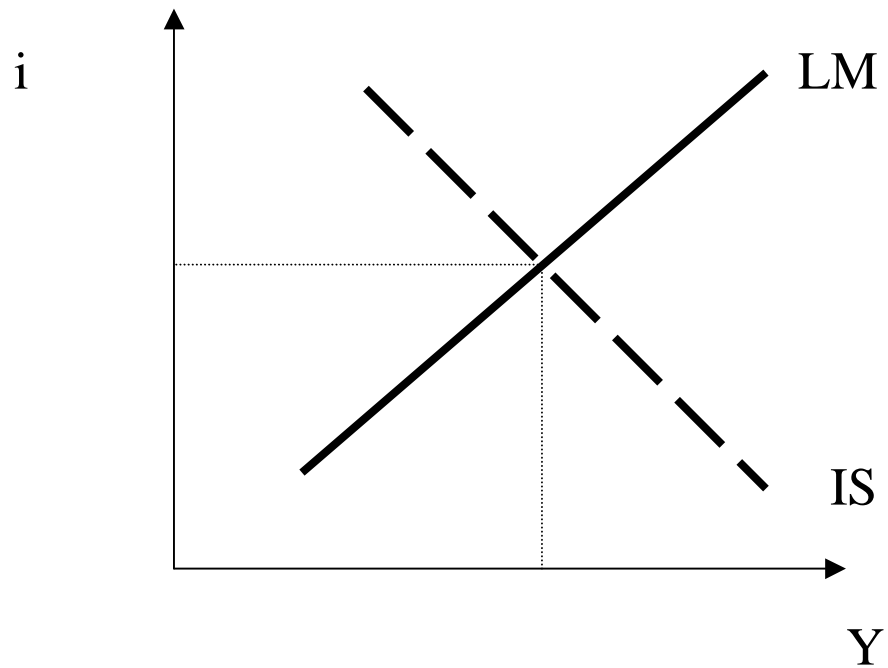
IS



A) Fiscal Policy;

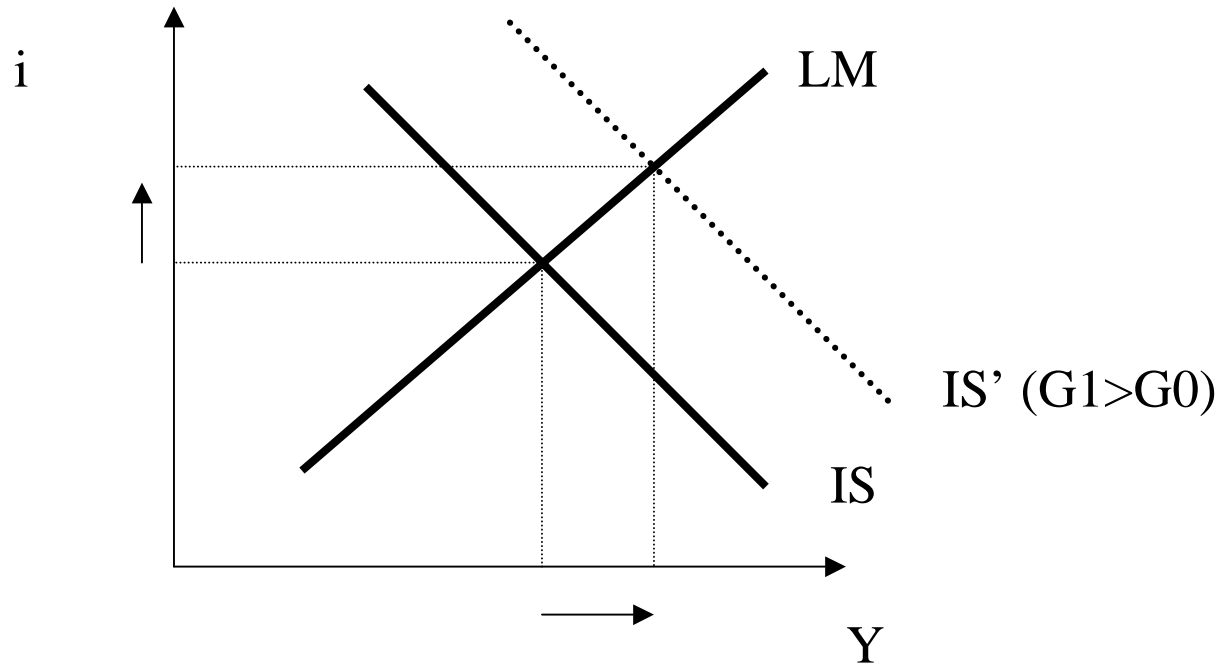
B) "Optimism"

IS-LM Model



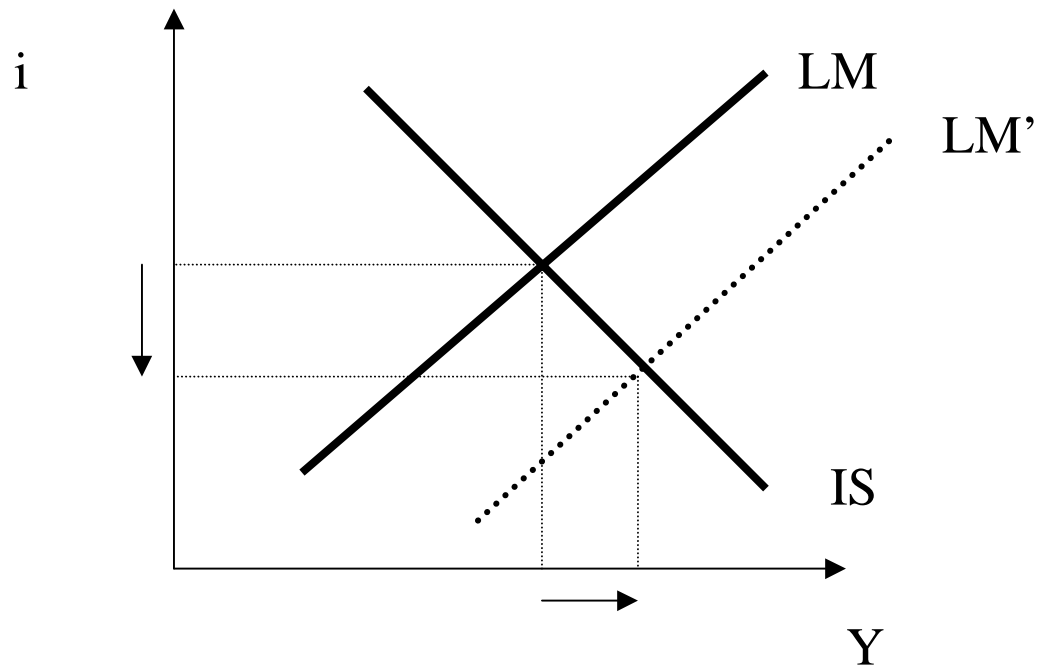
Parameters (slopes): L' ; I_i ; c_1

IS-LM Model



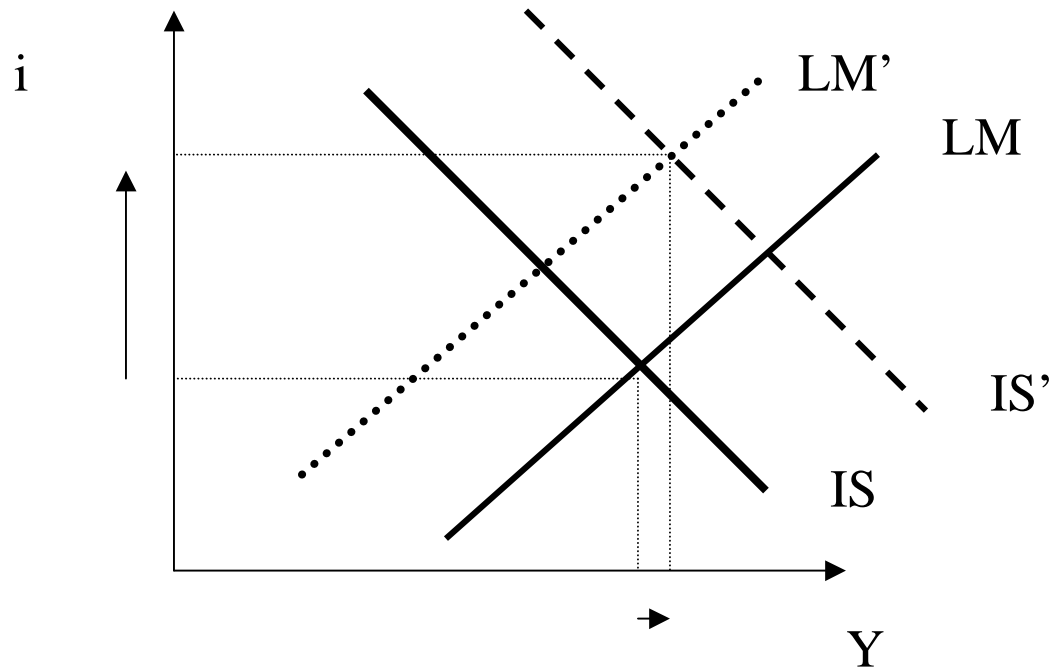
A) Expansionary Fiscal policy

IS-LM Model



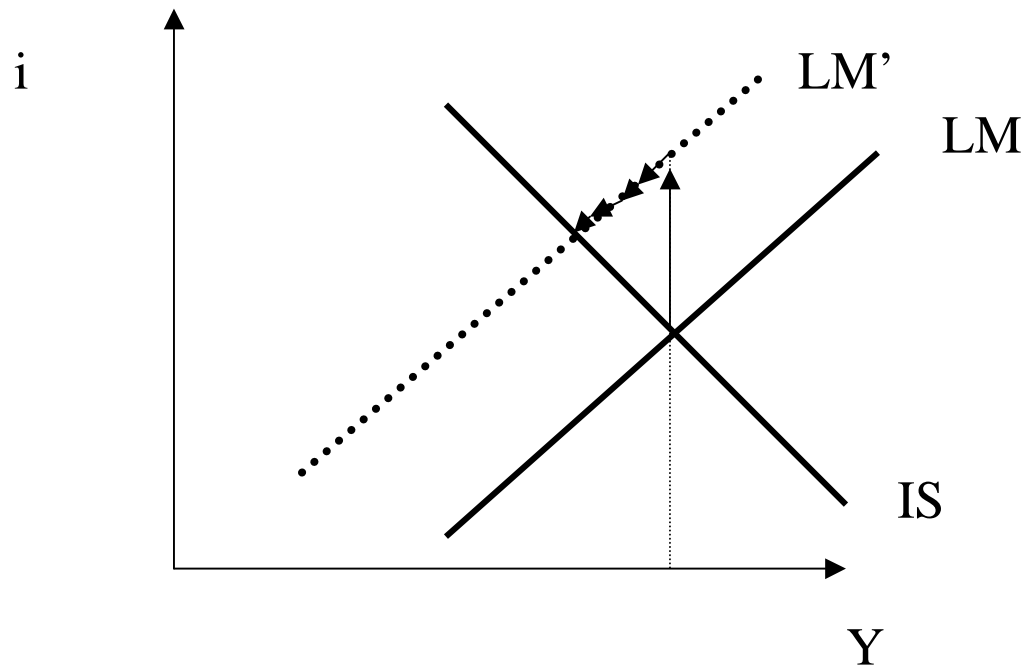
B) Expansionary Monetary Policy; liquidity trap

IS-LM Model



C) Mix; ERM crisis

Dynamics



Monetary Contraction

SLOW GOODS MARKET / FAST FINANCIAL MARKETS