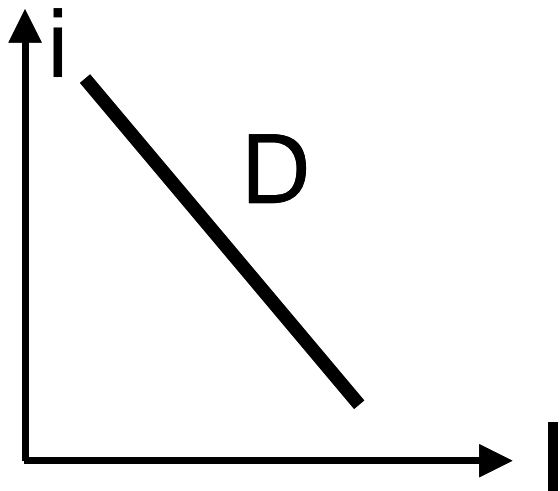


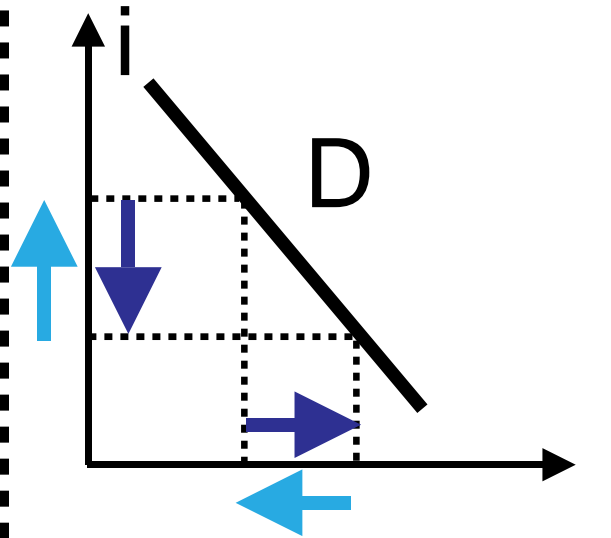
12.4 Investment demand

I D curve



Negative relationship between i and I (ceteris paribus)

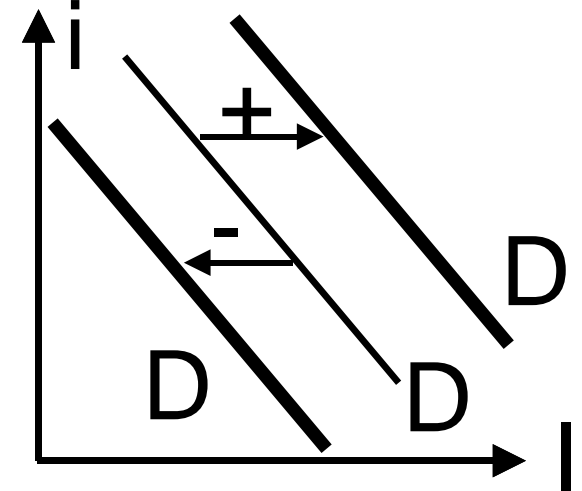
Change in i



Movement along D (ceteris paribus):

- If $i \uparrow$, then $I \downarrow$
- If $i \downarrow$, then $I \uparrow$

Shifting of D



Determinants:

- Growth (+)
- Recession (-)
- Optimism (+)
- Pessimism (-)