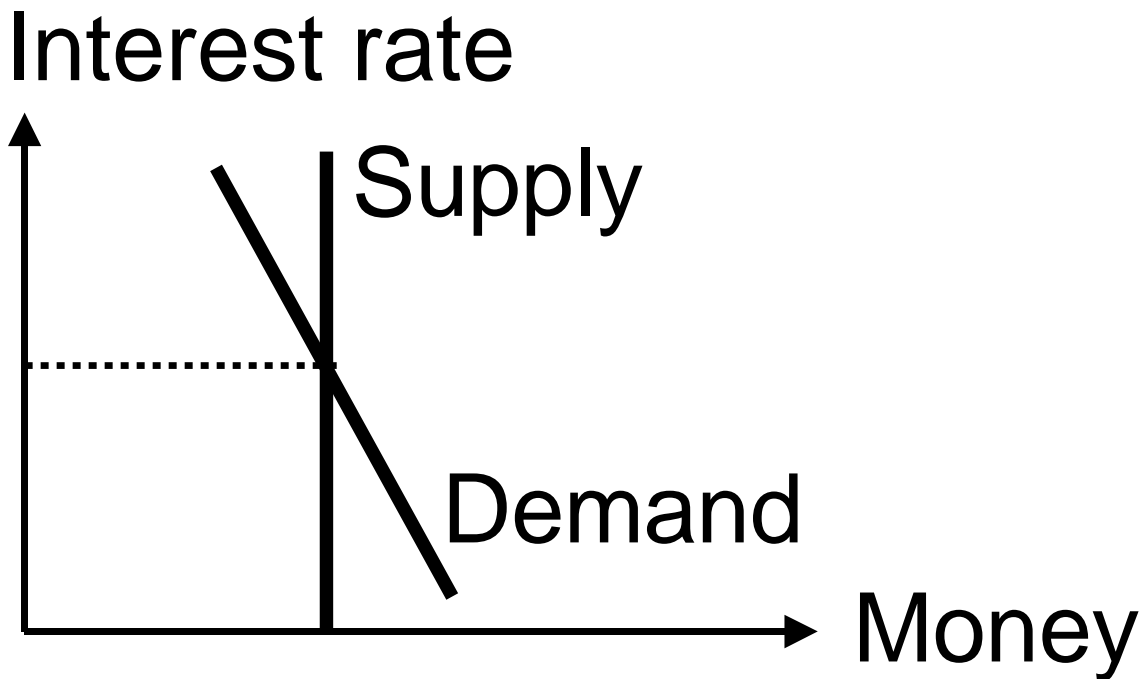


# Money market



## ● Motives for **demand**:

- Transactions
- Precaution
- Speculation

The first two motives depend on income, the third depends on the interest rate.

## ● Money **supply** is determined by the central bank.