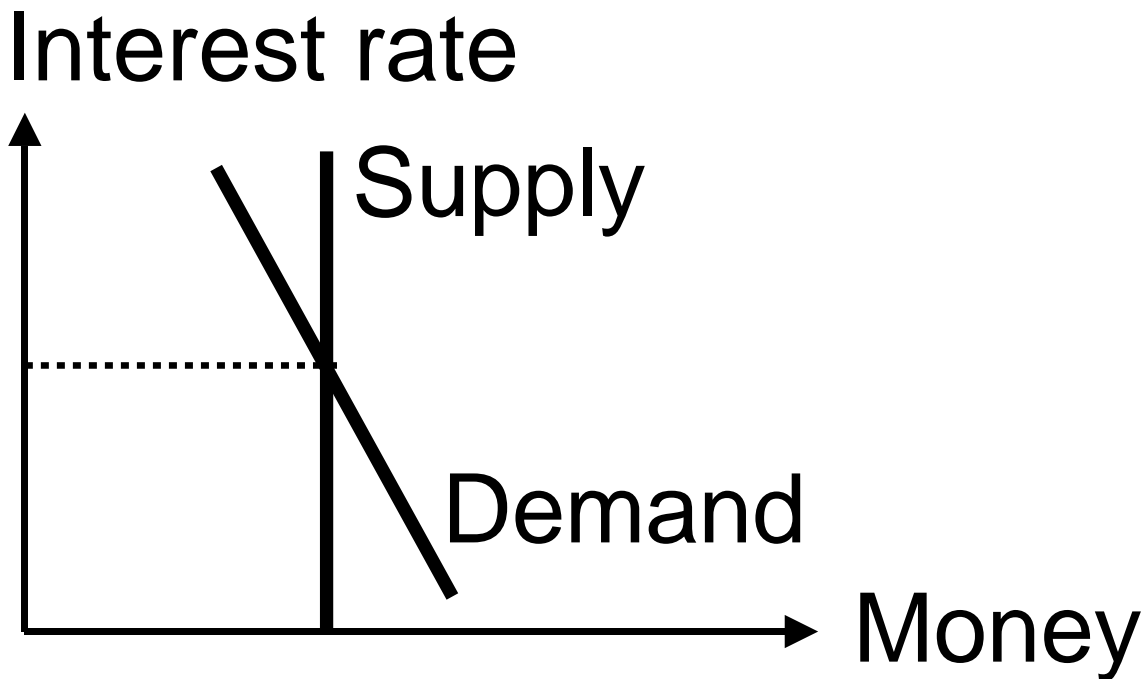


## 13.1 Money market



- Motives for **demand**:

- Transactions
- Precaution
- Speculation

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

- Money **supply** is determined by the central bank.