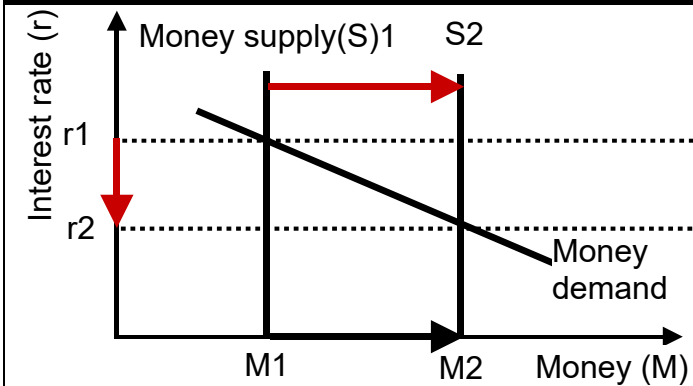


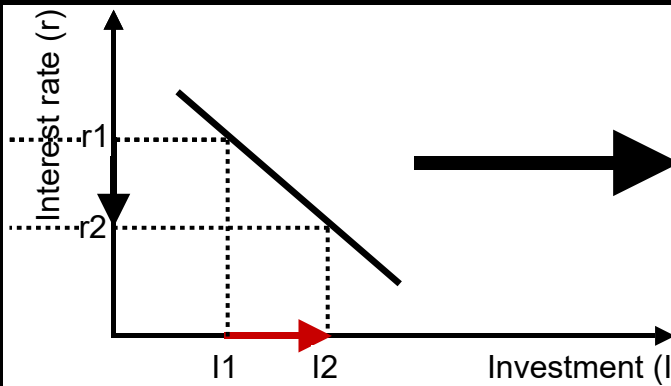
Monetary transmission mechanism

1 In the case of a recession (AD = Aggregate demand)

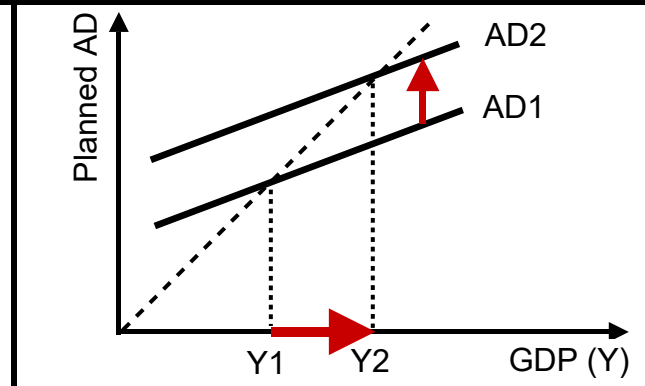
11 Money market



12 Investment

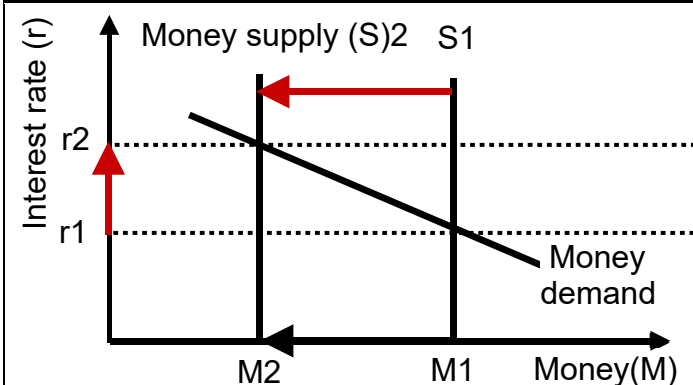


13 AD (= C+I+G+X-M)

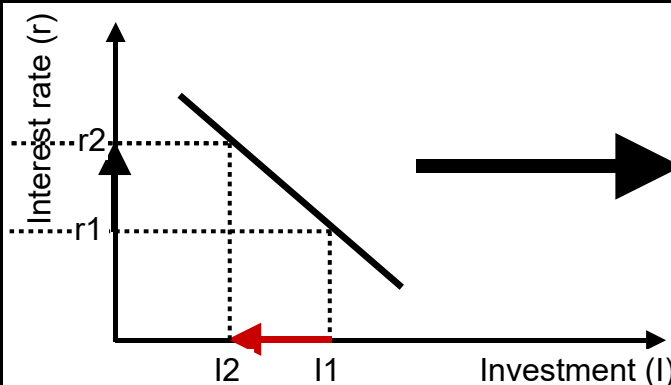


2 In the case of a boom (AD = Aggregate demand)

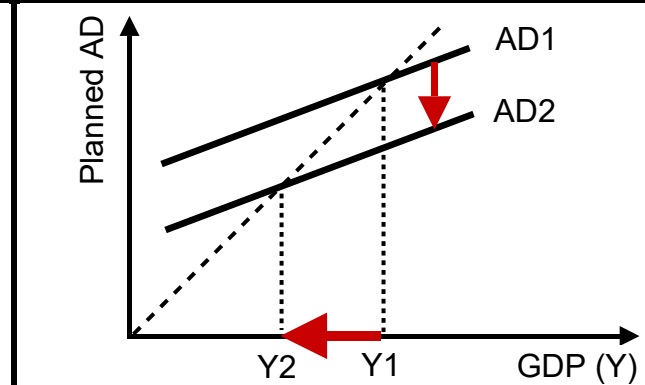
21 Money market



22 Investment



23 AD (= C+I+G+X-M)



C = Consumption / I = Investment / G = Government spending / X - M = Exports - imports (→ net exports) // GDP = Gross domestic product