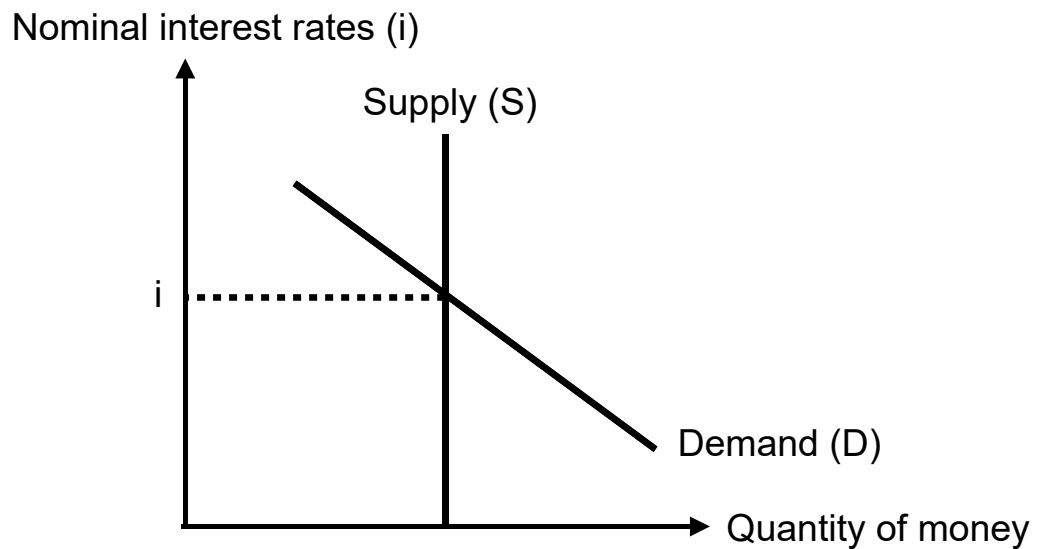
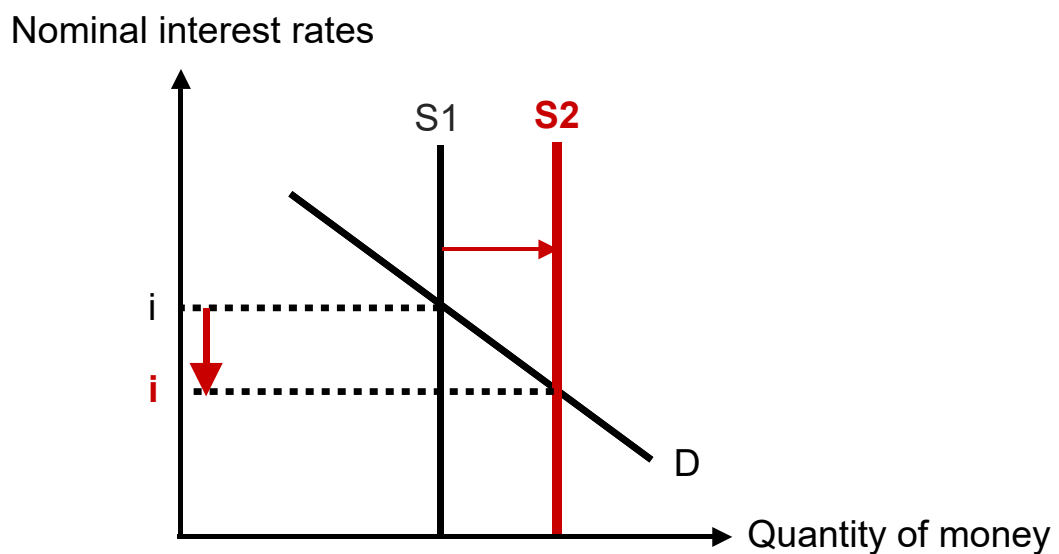


Money market (shifts)

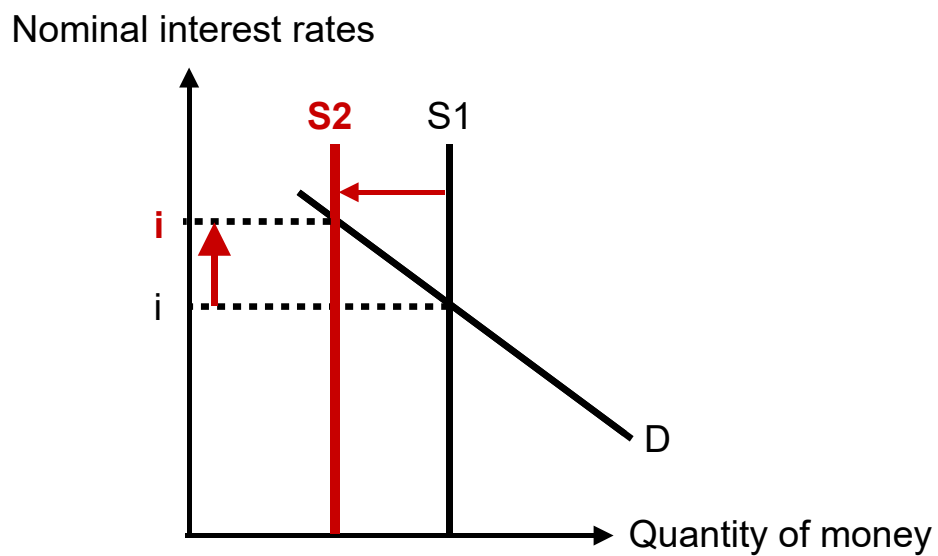
- ① *Initial situation:*
Supply by the central bank, demand by everybody



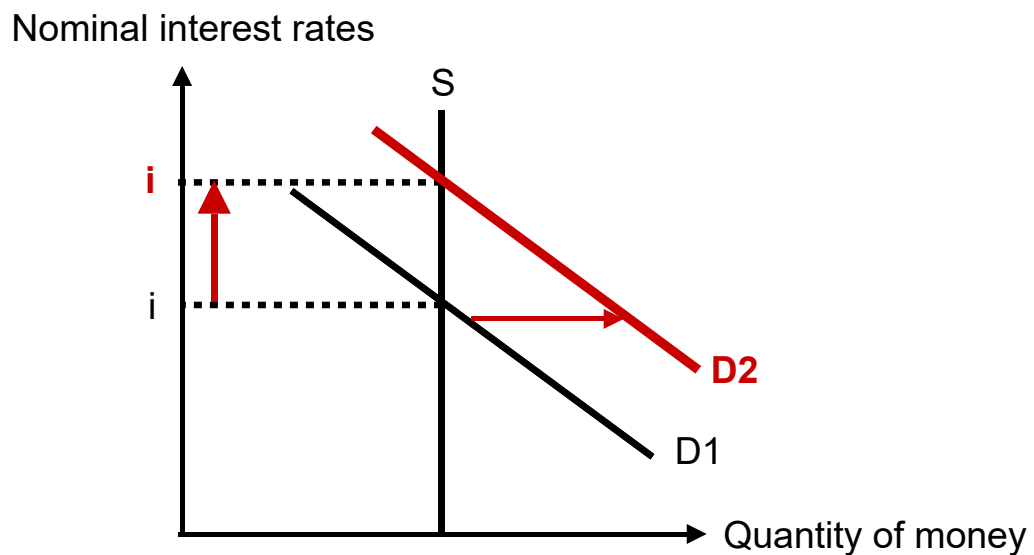
- ② *Central bank increases money supply; result: i falls.*



- ③ *Central bank reduces money supply; result: i rises.*



- ④ *Demand rises; result: i rises.*



⑤ *Demand falls; result: i falls.*

