



**THE ECONOMICS OF  
MONEY,  
BANKING,  
AND FINANCIAL  
MARKETS**

**GLOBAL EDITION**

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**PEARSON**

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# Contents

## PART 1

## INTRODUCTION 43

### CHAPTER 1

<b>Why Study Money, Banking, and Financial Markets?</b> 44	
Why Study Financial Markets? .....	44
The Bond Market and Interest Rates .....	44
The Stock Market .....	46
Why Study Financial Institutions and Banking? .....	46
Structure of the Financial System .....	47
Financial Crises .....	48
Banks and Other Financial Institutions .....	48
Financial Innovation .....	48
Why Study Money and Monetary Policy? .....	49
Money and Business Cycles .....	49
Money and Inflation .....	49
Money and Interest Rates .....	52
Conduct of Monetary Policy .....	52
Fiscal Policy and Monetary Policy .....	53
Why Study International Finance? .....	54
The Foreign Exchange Market .....	54
The International Financial System .....	56
How We Will Study Money, Banking, and Financial Markets .....	56
Exploring the Web .....	57
Collecting and Graphing Data .....	57
Web Exercises .....	57
Concluding Remarks .....	58
Summary 59 • Key Terms 60 • Questions 61 • Applied Problems 62 • Web Exercises 62 • Web References 63	

### APPENDIX TO CHAPTER 1

<b>Defining Aggregate Output, Income, the Price Level, and the Inflation Rate</b> 64	
Aggregate Output and Income .....	64
Real Versus Nominal Magnitudes .....	64
Aggregate Price Level .....	65
Growth Rates and the Inflation Rate .....	66

### CHAPTER 2

<b>An Overview of the Financial System</b> 67	
Function of Financial Markets .....	67
Structure of Financial Markets .....	69
Debt and Equity Markets .....	69
Primary and Secondary Markets .....	70

Exchanges and Over-the-Counter Markets .....	71
Money and Capital Markets .....	71
Financial Market Instruments .....	72
Money Market Instruments .....	72
<b>Following the Financial News</b> Money Market Rates 73	
Capital Market Instruments .....	74
<b>Following the Financial News</b> Capital Market Interest Rates 75	
Internationalization of Financial Markets .....	76
<b>Global</b> Are U.S. Capital Markets Losing Their Edge? 77	
International Bond Market, Eurobonds, and Eurocurrencies .....	77
World Stock Markets .....	78
Function of Financial Intermediaries: Indirect Finance .....	78
<b>Following the Financial News</b> Foreign Stock Market Indexes 79	
Transaction Costs .....	79
<b>Global</b> The Importance of Financial Intermediaries Relative to Securities Markets: An International Comparison 80	
Risk Sharing .....	80
Asymmetric Information: Adverse Selection and Moral Hazard .....	81
Economies of Scope and Conflicts of Interest .....	83
Types of Financial Intermediaries .....	83
Depository Institutions .....	83
Contractual Savings Institutions .....	85
Investment Intermediaries .....	86
Regulation of the Financial System .....	87
Increasing Information Available to Investors .....	87
Ensuring the Soundness of Financial Intermediaries .....	87
Financial Regulation Abroad .....	90
Summary 90 • Key Terms 91 • Questions 91 • Applied Problems 92 • Web Exercises 93 • Web References 93	

**CHAPTER 3**

**What Is Money? 94**

Meaning of Money .....	94
Functions of Money .....	95
Medium of Exchange .....	95
Unit of Account .....	96
Store of Value .....	97
Evolution of the Payments System .....	98
Commodity Money .....	98
Fiat Money .....	98
Checks .....	98
Electronic Payment .....	99
E-Money .....	99

**FYI** Are We Headed for a Cashless Society? 100

Measuring Money ..... 100  
 The Federal Reserve's Monetary Aggregates ..... 101  
**Following the Financial News:** The Monetary Aggregates ..... 102  
**FYI** Where Are All the U.S. Dollars? 102  
 Summary 104 • Key Terms 104 • Questions 104 • Applied Problems 106 •  
 Web Exercises 106 • Web References 106

**PART 2**

**FINANCIAL MARKETS 107**

**CHAPTER 4**

**Understanding Interest Rates 108**  
 Measuring Interest Rates ..... 108  
 Present Value ..... 108  
**APPLICATION** Simple Present Value ..... 110  
**APPLICATION** How Much Is That Jackpot Worth? ..... 110  
 Four Types of Credit Market Instruments ..... 111  
 Yield to Maturity ..... 112  
**APPLICATION** Yield to Maturity on a Simple Loan ..... 112  
**APPLICATION** Yield to Maturity and the Yearly Payment  
 on a Fixed-Payment Loan ..... 114  
**APPLICATION** Yield to Maturity and the Bond Price for a Coupon Bond ..... 115  
**APPLICATION** Perpetuity ..... 117  
**Global** Negative T-Bill Rates? It Can Happen 119  
 The Distinction Between Interest Rates and Returns ..... 119  
 Maturity and the Volatility of Bond Returns: Interest-Rate Risk ..... 122  
 Summary ..... 123  
 The Distinction Between Real and Nominal Interest Rates ..... 123  
**APPLICATION** Calculating Real Interest Rates ..... 124  
**FYI** With TIPS, Real Interest Rates Have Become Observable in the United States 126  
 Summary 126 • Key Terms 126 • Questions 127 • Applied Problems 127 •  
 Web Exercises 128 • Web References 129 • Web Appendices 129

**CHAPTER 5**

**The Behavior of Interest Rates 130**  
 Determinants of Asset Demand ..... 130  
 Wealth ..... 131  
 Expected Returns ..... 131  
 Risk ..... 131  
 Liquidity ..... 132  
 Theory of Portfolio Choice ..... 132  
 Supply and Demand in the Bond Market ..... 133  
 Demand Curve ..... 133

Supply Curve .....	134
Market Equilibrium .....	135
Supply and Demand Analysis .....	136
Changes in Equilibrium Interest Rates .....	136
Shifts in the Demand for Bonds .....	136
Shifts in the Supply of Bonds .....	140
<b>APPLICATION</b> Changes in the Interest Rate Due to Expected Inflation: The Fisher Effect .....	142
<b>APPLICATION</b> Changes in the Interest Rate Due to a Business Cycle Expansion .....	143
<b>APPLICATION</b> Explaining Low Japanese Interest Rates .....	145
Supply and Demand in the Market for Money: The Liquidity Preference Framework .....	146
Changes in Equilibrium Interest Rates in the Liquidity Preference Framework .....	149
Shifts in the Demand for Money .....	149
Shifts in the Supply of Money .....	149
<b>APPLICATION</b> Changes in the Equilibrium Interest Rate Due to Changes in Income, the Price Level, or the Money Supply .....	149
Changes in Income .....	150
Changes in the Price Level .....	151
Changes in the Money Supply .....	151
<b>APPLICATION</b> Money and Interest Rates .....	152
Does a Higher Rate of Growth of the Money Supply Lower Interest Rates? .....	153
Summary 156 • Key Terms 157 • Questions 157 • Applied Problems 158 • Web Exercises 159 • Web References 159 • Web Appendices 1, 2, 3 159	
<b>CHAPTER 6</b>	
<b>The Risk and Term Structure of Interest Rates 160</b>	
Risk Structure of Interest Rates .....	160
Default Risk .....	160
<b>FYI</b> Conflicts of Interest at Credit-Rating Agencies and the Global Financial Crisis 164	
<b>APPLICATION</b> The Global Financial Crisis and the Baa-Treasury Spread .....	164
Liquidity .....	165
Income Tax Considerations .....	165
Summary .....	167
<b>APPLICATION</b> Effects of the Bush Tax Cut and Its Possible Repeal on Bond Interest Rates .....	167
Term Structure of Interest Rates .....	168
<b>Following the Financial News</b> Yield Curves 168	
Expectations Theory .....	170
Segmented Markets Theory .....	173
Liquidity Premium and Preferred Habitat Theories .....	174
Evidence on the Term Structure .....	176
Summary .....	176

**FYI** The Yield Curve as a Forecasting Tool for Inflation and the Business Cycle 178

**APPLICATION** Interpreting Yield Curves, 1980–2011 ..... 178

Summary 179 • Key Terms 180 • Questions 180 • Applied Problems 181 •  
 Web Exercises 182 • Web References 182

**CHAPTER 7**

**The Stock Market, the Theory of Rational Expectations,  
 and the Efficient Market Hypothesis 183**

Computing the Price of Common Stock ..... 183

    The One-Period Valuation Model ..... 184

    The Generalized Dividend Valuation Model ..... 185

    The Gordon Growth Model ..... 185

How the Market Sets Stock Prices ..... 186

**APPLICATION** Monetary Policy and Stock Prices ..... 187

**APPLICATION** The Global Financial Crisis and the Stock Market ..... 188

The Theory of Rational Expectations ..... 188

    Formal Statement of the Theory ..... 190

    Rationale Behind the Theory ..... 190

    Implications of the Theory ..... 191

The Efficient Market Hypothesis: Rational Expectations  
 in Financial Markets ..... 191

    Rationale Behind the Hypothesis ..... 193

**APPLICATION** Practical Guide to Investing in the Stock Market ..... 194

    How Valuable Are Published Reports by Investment Advisers? ..... 194

    Should You Be Skeptical of Hot Tips? ..... 195

    Do Stock Prices Always Rise When There Is Good News? ..... 195

**FYI** Should You Hire an Ape as Your Investment Adviser? 196

    Efficient Market Prescription for the Investor ..... 196

Why the Efficient Market Hypothesis Does Not Imply That Financial  
 Markets Are Efficient ..... 197

**APPLICATION** What Do Stock Market Crashes Tell Us About the Efficient  
 Market Hypothesis and the Efficiency of Financial Markets? ..... 198

Behavioral Finance ..... 198

Summary 199 • Key Terms 200 • Questions 200 • Applied Problems 201 •  
 Web Exercises 202 • Web References 202 • Web Appendix 202

**PART 3**

**FINANCIAL INSTITUTIONS 203**

**CHAPTER 8**

**An Economic Analysis of Financial Structure 204**

Basic Facts About Financial Structure Throughout the World ..... 204

Transaction Costs ..... 207

    How Transaction Costs Influence Financial Structure ..... 207

    How Financial Intermediaries Reduce Transaction Costs ..... 207

Asymmetric Information: Adverse Selection and Moral Hazard .....	208
The Lemons Problem: How Adverse Selection Influences Financial Structure.....	209
Lemons in the Stock and Bond Markets.....	210
Tools to Help Solve Adverse Selection Problems.....	210
<b>FYI</b> The Enron Implosion	212
How Moral Hazard Affects the Choice Between Debt and Equity Contracts.....	214
Moral Hazard in Equity Contracts: The Principal–Agent Problem.....	215
Tools to Help Solve the Principal–Agent Problem.....	216
How Moral Hazard Influences Financial Structure in Debt Markets.....	217
Tools to Help Solve Moral Hazard in Debt Contracts.....	218
Summary.....	220
<b>APPLICATION</b> Financial Development and Economic Growth.....	221
<b>FYI</b> Should We Kill <i>All</i> the Lawyers?	222
<b>APPLICATION</b> Is China a Counterexample to the Importance of Financial Development? .....	222
Summary 223 • Key Terms 224 • Questions 224 • Applied Problems 225 • Web Exercises 226 • Web References 226	
<b>CHAPTER 9</b>	
<b>Financial Crises in Advanced Economies</b>	227
What Is a Financial Crisis?.....	227
Dynamics of Financial Crises in Advanced Economies.....	228
Stage One: Initiation of Financial Crisis.....	228
Stage Two: Banking Crisis.....	230
Stage Three: Debt Deflation.....	231
<b>APPLICATION</b> The Mother of All Financial Crises: The Great Depression .....	231
Stock Market Crash.....	231
Bank Panics.....	232
Continuing Decline in Stock Prices.....	232
Debt Deflation.....	233
International Dimensions.....	233
<b>APPLICATION</b> The Global Financial Crisis of 2007–2009.....	234
Causes of the 2007–2009 Financial Crisis.....	234
<b>FYI</b> Collateralized Debt Obligations (CDOs)	235
Effects of the 2007–2009 Financial Crisis.....	236
<b>Inside the Fed</b> Was the Fed to Blame for the Housing Price Bubble?	237
<b>Global</b> Ireland and the 2007–2009 Financial Crisis	240
Height of the 2007–2009 Financial Crisis.....	240
Government Intervention and the Recovery.....	241
<b>Global</b> Worldwide Government Bailouts During the 2007–2009 Financial Crisis	242
Summary 242 • Key Terms 243 • Questions 243 • Web Exercise 244 • Web References 244	

**CHAPTER 10****Financial Crises in Emerging Market Economies 245**

Dynamics of Financial Crises in Emerging Market Economies .....	245
Stage One: Initiation of Financial Crisis .....	245
Stage Two: Currency Crisis .....	249
Stage Three: Full-Fledged Financial Crisis .....	249
<b>APPLICATION Crisis in South Korea, 1997–1998</b> .....	251
Financial Liberalization/Globalization Mismanaged .....	251
Perversion of the Financial Liberalization/Globalization	
Process: Chaebols and the South Korean Crisis .....	252
Stock Market Decline and Failure of Firms Increase Uncertainty .....	254
Adverse Selection and Moral Hazard Problems Worsen	
and Aggregate Demand Falls .....	254
Currency Crisis Ensues .....	255
Final Stage: Currency Crisis Triggers Full-Fledged Financial Crisis .....	255
Recovery Commences .....	256
<b>APPLICATION The Argentine Financial Crisis, 2001–2002</b> .....	257
Severe Fiscal Imbalances .....	257
Adverse Selection and Moral Hazard Problems Worsen .....	257
Bank Panic Begins .....	257
Currency Crisis Ensues .....	258
Currency Crisis Triggers Full-Fledged Financial Crisis .....	259
Recovery Begins .....	260
Preventing Emerging Market Financial Crises .....	261
Beef Up Prudential Regulation and Supervision of Banks .....	261
<b>Following the Financial News</b> When an Advanced Economy Is like an	
Emerging Market Economy: The Icelandic Financial Crisis of 2008	262
Encourage Disclosure and Market-Based Discipline .....	263
Limit Currency Mismatch .....	263
Sequence Financial Liberalization .....	263
Summary 264 • Key Terms 264 • Questions 264	

**CHAPTER 11****Banking and the Management of Financial Institutions 265**

The Bank Balance Sheet .....	265
Liabilities .....	265
Assets .....	268
Basic Banking .....	269
General Principles of Bank Management .....	272
Liquidity Management and the Role of Reserves .....	272
Asset Management .....	275
Liability Management .....	276
Capital Adequacy Management .....	277
<b>APPLICATION Strategies for Managing Bank Capital</b> .....	279
<b>APPLICATION How a Capital Crunch Caused a Credit Crunch</b>	
During the Global Financial Crisis .....	280



Managing Credit Risk .....	281
Screening and Monitoring .....	281
Long-Term Customer Relationships.....	283
Loan Commitments.....	283
Collateral and Compensating Balances .....	283
Credit Rationing.....	284
Managing Interest-Rate Risk .....	285
Gap and Duration Analysis.....	285
<b>APPLICATION</b> Strategies for Managing Interest-Rate Risk.....	287
Off-Balance-Sheet Activities.....	287
Loan Sales .....	287
Generation of Fee Income .....	288
Trading Activities and Risk Management Techniques.....	288
<b>Global</b> Barings, Daiwa, Sumitomo, and Société Générale: Rogue Traders and the Principal-Agent Problem .....	289
Summary 290 • Key Terms 291 • Questions 291 • Applied Problems 292 • Web Exercises 293 • Web References 293 • Web Appendices 1, 2 293	
<b>CHAPTER 12</b>	
<b>Economic Analysis of Financial Regulation 294</b>	
Asymmetric Information and Financial Regulation .....	294
Government Safety Net .....	294
<b>Global</b> The Spread of Government Deposit Insurance Throughout the World: Is This a Good Thing? .....	296
Restrictions on Asset Holdings .....	299
Capital Requirements .....	299
Prompt Corrective Action.....	300
<b>Global</b> Where Is the Basel Accord Heading After the Global Financial Crisis? .....	301
Financial Supervision: Chartering and Examination .....	302
Assessment of Risk Management .....	303
Disclosure Requirements .....	304
Consumer Protection.....	304
<b>FYI</b> Mark-to-Market Accounting and the Global Financial Crisis .....	305
<b>FYI</b> The Subprime Mortgage Crisis and Consumer Protection Regulation .....	306
Restrictions on Competition .....	307
Macroprudential Versus Microprudential Supervision .....	307
<b>Global</b> International Financial Regulation .....	308
Summary.....	309
The 1980s Savings and Loan and Banking Crisis .....	311
Banking Crises Throughout the World.....	313
“Déjà vu All Over Again” .....	313
The Dodd-Frank Bill and Future Regulation.....	314

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ..... 316  
 Future Regulation..... 317  
 Summary 318 • Key Terms 318 • Questions 319 • Applied Problems 319 •  
 Web Exercises 320 • Web References 320 • Web Appendices 1, 2 320

**CHAPTER 13**

**Banking Industry: Structure and Competition 321**

Historical Development of the Banking System..... 321  
 Multiple Regulatory Agencies ..... 323  
 Financial Innovation and the Growth of the “Shadow Banking System” ..... 324  
 Responses to Changes in Demand Conditions: Interest-Rate Volatility ..... 325  
 Responses to Changes in Supply Conditions: Information Technology ..... 326

**FYI Will “Clicks” Dominate “Bricks” in the Banking Industry? 328**

Avoidance of Existing Regulations ..... 329

**FYI Bruce Bent and the Money Market Mutual Fund Panic of 2008 331**

Financial Innovation and the Decline of Traditional Banking..... 332  
 Structure of the U.S. Commercial Banking Industry ..... 335  
 Restrictions on Branching ..... 336  
 Response to Branching Restrictions ..... 337  
 Bank Consolidation and Nationwide Banking..... 338  
 The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ..... 340  
 What Will the Structure of the U.S. Banking Industry Look Like in the Future? ..... 340

**Global Comparison of Banking Structure in the United States and Abroad 341**

Are Bank Consolidation and Nationwide Banking Good Things?..... 341  
 Separation of the Banking and Other Financial Service Industries ..... 342  
 Erosion of Glass-Steagall..... 342  
 The Gramm-Leach-Bliley Financial Services Modernization Act of 1999:  
 Repeal of Glass-Steagall ..... 342  
 Implications for Financial Consolidation ..... 343  
 Separation of Banking and Other Financial Services Industries Throughout the World..... 343

**FYI The Global Financial Crisis and the Demise of Large, Free-Standing  
 Investment Banks 344**

Thrift Industry: Regulation and Structure ..... 344  
 Savings and Loan Associations ..... 344  
 Mutual Savings Banks..... 345  
 Credit Unions..... 345  
 International Banking..... 346  
 Eurodollar Market ..... 346

**Global Ironic Birth of the Eurodollar Market 347**

Structure of U.S. Banking Overseas ..... 347  
 Foreign Banks in the United States ..... 348  
 Summary 349 • Key Terms 350 • Questions 350 • Web Exercises 351 •  
 Web References 352

**CHAPTER 14****Central Banks: A Global Perspective 354**

Origins of the Federal Reserve System .....	354
Structure of the Federal Reserve System .....	355
Federal Reserve Banks .....	355
Member Banks .....	357
Board of Governors of the Federal Reserve System .....	357
Federal Open Market Committee (FOMC) .....	358

**Inside the Fed The FOMC Meeting 359**

How Independent Is the Fed? .....	360
Should the Fed Be Independent? .....	361
The Case for Independence .....	361

**Inside the Fed How Bernanke's Style Differs from Greenspan's 362**

The Case Against Independence .....	363
Central Bank Independence and Macroeconomic Performance Throughout the World .....	364
Explaining Central Bank Behavior .....	364
Structure and Independence of the European Central Bank .....	365
Governing Council Executive Board and General Council .....	366
Central Banks Round the World .....	370
Bank of Canada .....	370
Bank of England .....	371
Bank of Japan .....	371
Central Banks in Transition Economies .....	372
Central Banks in Developing Countries and Emerging Economies .....	372

**Global Islamic Finance: Alternative Ethical Solutions to Financial Stability 373**

People's Bank of China .....	374
Multinational Central Banks in Developing Countries .....	375
Central Bank Reforms in South America .....	375
Currency Unions in Developing Nations .....	375
The Trend Toward Greater Independence .....	376
Summary 376 • Key Terms 377 • Questions 377 • Web Exercises 378 • Web References 378	

**CHAPTER 15****The Money Supply Process 379**

Three Players in the Money Supply Process .....	379
The Fed's Balance Sheet .....	379
Liabilities .....	380
Assets .....	381

Control of the Monetary Base .....	381
Federal Reserve Open Market Operations.....	382
Shifts from Deposits into Currency.....	385
Loans to Financial Institutions.....	386
Other Factors That Affect the Monetary Base.....	386
Overview of the Fed's Ability to Control the Monetary Base.....	387
Multiple Deposit Creation: A Simple Model.....	388
Deposit Creation: The Single Bank .....	388
Deposit Creation: The Banking System.....	389
Deriving the Formula for Multiple Deposit Creation.....	392
Critique of the Simple Model .....	393
Factors That Determine the Money Supply.....	394
Changes in the Nonborrowed Monetary Base, $MB_n$ .....	394
Changes in Borrowed Reserves, $BR$ , from the Fed.....	394
Changes in the Required Reserve Ratio, $rr$ .....	394
Changes in Currency Holdings.....	394
Changes in Excess Reserves.....	395
Overview of the Money Supply Process .....	395
The Money Multiplier.....	396
Deriving the Money Multiplier .....	396
Intuition Behind the Money Multiplier.....	398
Money Supply Response to Changes in the Factors .....	399
<b>APPLICATION</b> The Great Depression Bank Panics, 1930–1933, and the Money Supply .....	400
<b>APPLICATION</b> The 2007–2009 Financial Crisis and the Money Supply.....	402
Summary 405 • Key Terms 405 • Questions 406 • Applied Problems 406 • Web Exercises 407 • Web References 408 • Web Appendices 1, 2, 3 408	

## CHAPTER 16

### Tools of Monetary Policy 409

The Market for Reserves and the Federal Funds Rate.....	409
Demand and Supply in the Market for Reserves.....	409

#### **Inside the Fed** Why Does the Fed Need to Pay Interest on Reserves? 411

How Changes in the Tools of Monetary Policy Affect the Federal Funds Rate.....	412
--	-----

#### **APPLICATION** How the Federal Reserve's Operating Procedures

Limit Fluctuations in the Federal Funds Rate.....	416
Conventional Monetary Policy Tools.....	418
Open Market Operations.....	418

#### **Inside the Fed** A Day at the Trading Desk 419

Discount Policy and the Lender of Last Resort.....	420
--	-----

#### **Inside the Fed** Using Discount Policy to Prevent a Financial Panic 422

Reserve Requirements .....	423
Interest on Reserves.....	424
Relative Advantages of the Different Tools .....	424

Nonconventional Monetary Policy Tools During the Global Financial Crisis.....	425
Liquidity Provision.....	425
Asset Purchases.....	426
Quantitative Easing Versus Credit Easing.....	426
<b>Inside the Fed</b> Fed Lending Facilities During the Global Financial Crisis	427
Commitment to Future Policy Actions.....	428
Monetary Policy Tools of the European Central Bank.....	429
Open Market Operations.....	430
Lending to Banks.....	430
Reserve Requirements.....	430
Summary 431 • Key Terms 431 • Questions 432 • Applied Problems 433 •	
Web Exercises 433 • Web References 433	
<b>CHAPTER 17</b>	
<b>The Conduct of Monetary Policy: Strategy and Tactics</b>	434
The Price Stability Goal and the Nominal Anchor.....	434
The Role of a Nominal Anchor.....	435
The Time-Inconsistency Problem.....	435
Other Goals of Monetary Policy.....	436
High Employment and Output Stability.....	436
Economic Growth.....	437
Stability of Financial Markets.....	437
Interest-Rate Stability.....	437
Stability in Foreign Exchange Markets.....	437
Should Price Stability be the Primary Goal of Monetary Policy?.....	438
Hierarchical Versus Dual Mandates.....	438
Price Stability as the Primary, Long-Run Goal of Monetary Policy.....	439
Inflation Targeting.....	439
Inflation Targeting in New Zealand, Canada, and the United Kingdom.....	440
Advantages of Inflation Targeting.....	442
Disadvantages of Inflation Targeting.....	443
The Federal Reserve's Monetary Policy Strategy.....	445
Advantages of the Fed's "Just Do It" Approach.....	446
Disadvantages of the Fed's "Just Do It" Approach.....	446
Lessons for Monetary Policy Strategy from the Global Financial Crisis.....	447
<b>Inside the Fed</b> Chairman Bernanke and Inflation Targeting	448
Implications for Inflation Targeting.....	449
How Should Central Banks Respond to Asset-Price Bubbles?.....	450
Tactics: Choosing the Policy Instrument.....	454
Criteria for Choosing the Policy Instrument.....	456
Tactics: The Taylor Rule.....	457
<b>Inside the Fed</b> The Fed's Use of the Taylor Rule	460
<b>Inside the Fed</b> Fed Watchers	460
Summary 461 • Key Terms 461 • Questions 462 • Applied Problems 463 •	
Web Exercises 463 • Web References 464 • Web Appendix 464	

**APPENDIX TO CHAPTER 17****Fed Policy Procedures: Historical Perspective 465**

The Early Years: Discount Policy as the Primary Tool.....	465
Discovery of Open Market Operations.....	466
The Great Depression .....	466
<b>Inside the Fed</b> Bank Panics of 1930–1933: Why Did the Fed Let Them Happen? 467	
Reserve Requirements as a Policy Tool.....	467
War Finance and the Pegging of Interest Rates: 1942–1951.....	468
Targeting Money Market Conditions: the 1950s and 1960s .....	468
Targeting Monetary Aggregates: the 1970s.....	469
New Fed Operating Procedures: October 1979–October 1982 .....	470
De-Emphasis of Monetary Aggregates: October 1982–Early 1990s.....	471
Federal Funds Targeting Again: Early 1990s and Beyond.....	472
Preemptive Strikes Against Inflation .....	472
Preemptive Strikes Against Economic Downturns and Financial Disruptions: LTCM, Enron, and the Global Financial Crisis.....	473
International Considerations .....	473

**PART 5****INTERNATIONAL FINANCE AND MONETARY POLICY 475****CHAPTER 18****The Foreign Exchange Market 476**

Foreign Exchange Market.....	476
What Are Foreign Exchange Rates? .....	477
<b>Following the Financial News</b> Foreign Exchange Rates 478	
Why Are Exchange Rates Important?.....	478
How Is Foreign Exchange Traded?.....	479
Exchange Rates in the Long Run.....	479
Law of One Price.....	479
Theory of Purchasing Power Parity.....	480
Why the Theory of Purchasing Power Parity Cannot Fully Explain Exchange Rates .....	481
Factors That Affect Exchange Rates in the Long Run .....	482
Exchange Rates in the Short Run: A Supply and Demand Analysis .....	483
Supply Curve for Domestic Assets.....	484
Demand Curve for Domestic Assets.....	484
Equilibrium in the Foreign Exchange Market .....	485
Explaining Changes in Exchange Rates.....	485
Shifts in the Demand for Domestic Assets.....	486
Recap: Factors That Change the Exchange Rate.....	488
<b>APPLICATION</b> Effects of Changes in Interest Rates on the Equilibrium Exchange Rate.....	490

<b>APPLICATION</b> Why Are Exchange Rates So Volatile? .....	491
<b>APPLICATION</b> The Dollar and Interest Rates .....	492
<b>APPLICATION</b> The Global Financial Crisis and the Dollar .....	493
Summary 494 • Key Terms 494 • Questions 495 • Applied Problems 495 • Web Exercises 496 • Web References 496	
 <b>APPENDIX TO CHAPTER 18</b>	
<b>The Interest Parity Condition</b> 497	
Comparing Expected Returns on Domestic and Foreign Assets .....	497
Interest Parity Condition .....	499
 <b>CHAPTER 19</b>	
<b>The International Financial System</b> 500	
Intervention in the Foreign Exchange Market .....	500
Foreign Exchange Intervention and the Money Supply .....	500
<b>Inside the Fed</b> A Day at the Federal Reserve Bank of New York's Foreign Exchange Desk 501	
Unsterilized Intervention .....	503
Sterilized Intervention .....	504
Balance of Payments .....	504
<b>Global</b> Why the Large U.S. Current Account Deficit Worries Economists 505	
Exchange Rate Regimes in the International Financial System .....	506
Gold Standard .....	506
The Bretton Woods System .....	507
<b>Global</b> The Euro's Challenge to the Dollar 508	
How a Fixed Exchange Rate Regime Works .....	508
<b>APPLICATION</b> How Did China Accumulate Over \$3 Trillion of International Reserves? .....	511
Managed Float .....	512
European Monetary System (EMS) .....	513
<b>APPLICATION</b> The Foreign Exchange Crisis of September 1992 .....	514
<b>APPLICATION</b> Recent Foreign Exchange Crises in Emerging Market Countries: Mexico 1994, East Asia 1997, Brazil 1999, and Argentina 2002 .....	516
Capital Controls .....	517
Controls on Capital Outflows .....	517
Controls on Capital Inflows .....	517
The Role of the IMF .....	518
Should the IMF Be an International Lender of Last Resort? .....	518
How Should the IMF Operate? .....	519
<b>Global</b> The Global Financial Crisis and the IMF 521	

International Considerations and Monetary Policy ..... 521  
 Direct Effects of the Foreign Exchange Market on Monetary Policy ..... 521  
 Balance-of-Payments Considerations ..... 522  
 Exchange Rate Considerations..... 522  
 To Peg or Not to Peg: Exchange-Rate Targeting as an Alternative  
     Monetary Policy Strategy ..... 523  
     Advantages of Exchange-Rate Targeting..... 523  
     Disadvantages of Exchange-Rate Targeting ..... 524  
     When Is Exchange-Rate Targeting Desirable for Industrialized Countries?..... 526  
     When Is Exchange-Rate Targeting Desirable for Emerging Market Countries? ..... 527  
     Currency Boards..... 527  
**Global** Argentina's Currency Board 528  
     Dollarization ..... 528  
 Summary 529 • Key Terms 530 • Questions 530 • Applied Problems 531 •  
 Web Exercises 532 • Web References 532

**PART 6**

**MONETARY THEORY 533**

**CHAPTER 20**

**Quantity Theory, Inflation, and the Demand for Money 534**

Quantity Theory of Money ..... 534  
     Velocity of Money and Equation of Exchange ..... 534  
     From the Equation of Exchange to the Quantity Theory of Money ..... 536  
     Quantity Theory and the Price Level ..... 537  
     Quantity Theory and Inflation..... 537  
**APPLICATION** Testing the Quantity Theory of Money ..... 538  
 Budget Deficits and Inflation ..... 540  
     Government Budget Constraint ..... 540  
     Hyperinflation ..... 542  
**APPLICATION** The Zimbabwean Hyperinflation ..... 542  
 Keynesian Theories of Money Demand ..... 542  
     Transactions Motive ..... 543  
     Precautionary Motive..... 543  
     Speculative Motive ..... 543  
     Putting the Three Motives Together ..... 543  
 Portfolio Theories of Money Demand ..... 544  
     Theory of Portfolio Choice and Keynesian Liquidity Preference ..... 544  
     Other Factors That Affect the Demand for Money ..... 545  
     Summary..... 545  
 Empirical Evidence for the Demand for Money ..... 546  
     Interest Rates and Money Demand ..... 546  
     Stability of Money Demand ..... 547  
 Summary 547 • Key Terms 548 • Questions 548 • Applied Problems 549 •  
 Web Exercises 550 • Web References 550 • Web Appendices 1, 2 550



**CHAPTER 21**

**The IS Curve 551**

Planned Expenditure and Aggregate Demand ..... 551  
 The Components of Aggregate Demand..... 552  
     Consumption Expenditure ..... 552

**FYI** Meaning of the Word *Investment* 553

    Planned Investment Spending ..... 553  
     Net Exports..... 555  
     Government Purchases and Taxes..... 556  
 Goods Market Equilibrium ..... 557  
     Solving for Goods Market Equilibrium ..... 557  
     Deriving the IS Curve ..... 558

Understanding the IS Curve ..... 558  
     What the IS Curve Tells Us: Intuition ..... 558  
     What the IS Curve Tells Us: Numerical Example ..... 558  
     Why the Economy Heads Toward the Equilibrium ..... 559

Factors that Shift the IS Curve ..... 560  
     Changes in Government Purchases..... 560

**APPLICATION** The Vietnam War Buildup, 1964–1969 ..... 560  
     Changes in Taxes..... 561

**APPLICATION** The Fiscal Stimulus Package of 2009 ..... 562  
     Changes in Autonomous Spending..... 563  
     Changes in Financial Frictions ..... 564  
     Summary of Factors That Shift the IS Curve ..... 564

Summary 565 • Key Terms 566 • Questions 566 • Applied Problems 567 •  
 Web Exercises 568 • Web References 568

**CHAPTER 22**

**The Monetary Policy and Aggregate Demand Curves 569**

The Federal Reserve and Monetary Policy..... 569  
 The Monetary Policy Curve ..... 570  
     The Taylor Principle: Why the Monetary Policy Curve  
         Has an Upward Slope ..... 570  
     Shifts in the MP Curve..... 571

**APPLICATION** Autonomous Monetary Easing at the Onset of the  
 2007–2009 Financial Crisis..... 572

The Aggregate Demand Curve ..... 573  
     Deriving the Aggregate Demand Curve Graphically..... 573  
     Factors That Shift the Aggregate Demand Curve..... 574

**FYI** Deriving the Aggregate Demand Curve Algebraically 574

Summary 579 • Key Terms 579 • Questions 579 • Applied Problems 580 •  
 Web Exercises 581 • Web References 581

**CHAPTER 23**

**Aggregate Demand and Supply Analysis 582**

Aggregate Demand ..... 582

**Following the Financial News: Aggregate Output, Unemployment, and Inflation 583**

Deriving the Aggregate Demand Curve ..... 583

Factors That Shift the Aggregate Demand Curve ..... 584

Aggregate Supply ..... 587

Long-Run Aggregate Supply Curve ..... 587

Short-Run Aggregate Supply Curve ..... 588

Shifts in Aggregate Supply Curves ..... 590

Shifts in the Long-Run Aggregate Supply Curve ..... 590

Shifts in the Short-Run Aggregate Supply Curve ..... 591

Equilibrium in Aggregate Demand and Supply Analysis ..... 594

Short-Run Equilibrium ..... 594

How the Short-Run Equilibrium Moves to the Long-Run Equilibrium over Time ..... 594

Self-Correcting Mechanism ..... 597

Changes in Equilibrium: Aggregate Demand Shocks ..... 597

**APPLICATION** The Volcker Disinflation, 1980–1986 ..... 599

**APPLICATION** Negative Demand Shocks, 2001–2004 ..... 599

Changes in Equilibrium: Aggregate Supply (Price) Shocks ..... 601

Temporary Supply Shocks ..... 602

**APPLICATION** Negative Supply Shocks, 1973–1975 and 1978–1980 ..... 602

Permanent Supply Shocks and Real Business Cycle Theory ..... 603

**APPLICATION** Positive Supply Shocks, 1995–1999 ..... 606

Conclusions ..... 606

**APPLICATION** Negative Supply and Demand Shocks and the 2007–2009

Financial Crisis ..... 608

AD/AS Analysis of Foreign Business Cycle Episodes ..... 608

**APPLICATION** The United Kingdom and the 2007–2009 Financial Crisis ..... 610

**APPLICATION** China and the 2007–2009 Financial Crisis ..... 611

Summary 611 • Key Terms 613 • Questions 613 • Applied Problems 614 •

Web Exercises 614 • Web References 615 • Web Appendices I, 2, 3, 4 615

**APPENDIX TO CHAPTER 23**

**The Phillips Curve and the Short-Run Aggregate Supply Curve 616**

The Phillips Curve ..... 616

Phillips Curve Analysis in the 1960s ..... 616

The Friedman-Phelps Phillips Curve Analysis ..... 617

**FYI** The Phillips Curve Tradeoff and Macroeconomic Policy in the 1960s 618

The Phillips Curve After the 1960s ..... 620

The Modern Phillips Curve .....	620
The Modern Phillips Curve with Adaptive (Backward-Looking) Expectations .....	620
The Short-Run Aggregate Supply Curve .....	621

## CHAPTER 24

### Monetary Policy Theory 624

Response of Monetary Policy to Shocks .....	624
Response to an Aggregate Demand Shock .....	625

### APPLICATION Quantitative (Credit) Easing in Response to the Global

Financial Crisis.....	627
Response to a Permanent Supply Shock .....	627
Response to a Temporary Supply Shock .....	629
The Bottom Line: The Relationship Between Stabilizing Inflation and Stabilizing Economic Activity .....	631
How Actively Should Policymakers Try to Stabilize Economic Activity?.....	632
Lags and Policy Implementation.....	632
Inflation: Always and Everywhere a Monetary Phenomenon.....	633

### FYI The Activist/Nonactivist Debate over the Obama Fiscal Stimulus Package 634

Causes of Inflationary Monetary Policy.....	634
High Employment Targets and Inflation .....	635

### APPLICATION The Great Inflation..... 638

Summary 640 • Key Terms 640 • Questions 641 • Applied Problems 642 • Web Exercises 642 • Web References 642	
--	--

## CHAPTER 25

### The Role of Expectations in Monetary Policy 643

Lucas Critique of Policy Evaluation .....	643
Econometric Policy Evaluation .....	644

### APPLICATION The Term Structure of Interest Rates..... 644

Policy Conduct: Rules or Discretion?.....	645
Discretion and the Time-Inconsistency Problem.....	645
Types of Rules.....	646
The Case for Rules.....	646

### FYI The Political Business Cycle and Richard Nixon 647

The Case for Discretion .....	647
Constrained Discretion.....	648

### Global The Demise of Monetary Targeting in Switzerland 648

The Role of Credibility and a Nominal Anchor .....	649
Benefits of a Credible Nominal Anchor.....	649
Credibility and Aggregate Demand Shocks .....	650
Credibility and Aggregate Supply Shocks .....	652

**APPLICATION** A Tale of Three Oil Price Shocks..... 653  
 Credibility and Anti-Inflation Policy..... 654

**Global** Ending the Bolivian Hyperinflation: A Successful  
 Anti-Inflation Program 656

**APPLICATION** Credibility and the Reagan Budget Deficits..... 657  
 Approaches to Establishing Central Bank Credibility..... 657

**Inside the Fed** The Appointment of Paul Volcker, Anti-Inflation Hawk 658  
 Appoint “Conservative” Central Bankers..... 658

Summary 659 • Key Terms 659 • Questions 660 • Applied Problems 661 •  
 Web Exercises 661 • Web References 661

**CHAPTER 26**  
**Transmission Mechanisms of Monetary Policy 662**

Transmission Mechanisms of Monetary Policy ..... 662  
 Traditional Interest-Rate Channels..... 663  
 Other Asset Price Channels ..... 664  
 Credit View ..... 667

**FYI** Consumers’ Balance Sheets and the Great Depression 670  
 Why Are Credit Channels Likely to Be Important? ..... 670

**APPLICATION** The Great Recession..... 671  
 Lessons for Monetary Policy ..... 671

**APPLICATION** Applying the Monetary Policy Lessons to Japan ..... 673  
 Summary 674 • Key Terms 674 • Questions 674 • Applied Problems 675 •  
 Web Exercises 676 • Web References 676 • Web Appendix 676

Glossary..... 677

Credits..... 689

Index ..... 695

**CONTENTS ON THE WEB**

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The following updated chapter and appendices are available on our Companion Website at [www.pearsonglobaleditions.com/mishkin](http://www.pearsonglobaleditions.com/mishkin).

**WEB CHAPTER**

The *ISLM* Model

Keynes’ Fixed Price Level Assumption and the *IS* Curve

The *LM* Curve

Equilibrium in the Market for Money: The *LM* Curve

