

AS-AD Model

$$(1) C = bY$$

$$(2) I = er$$

$$(3) Y = C + I + G$$

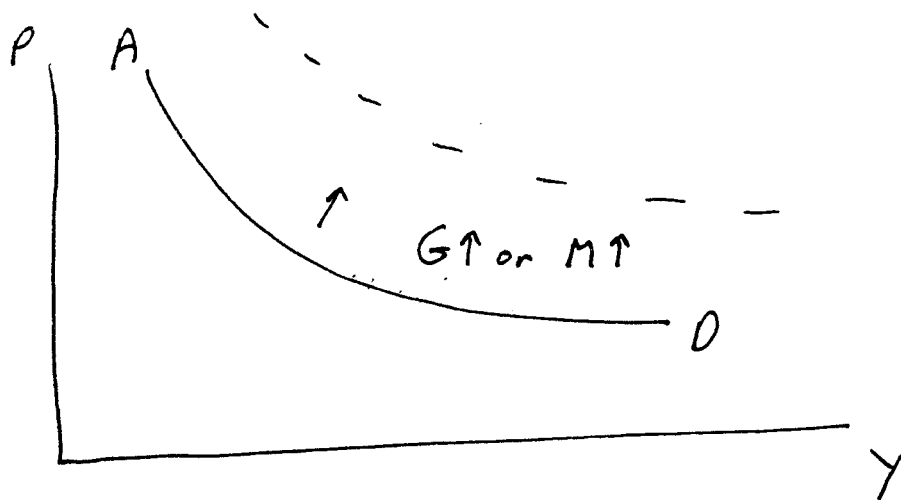
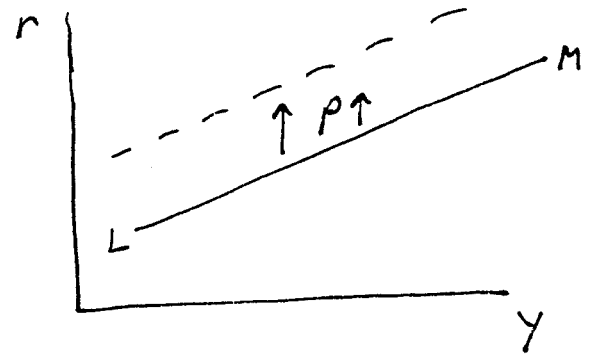
$$(4) \frac{M^d}{P} = gY + hr$$

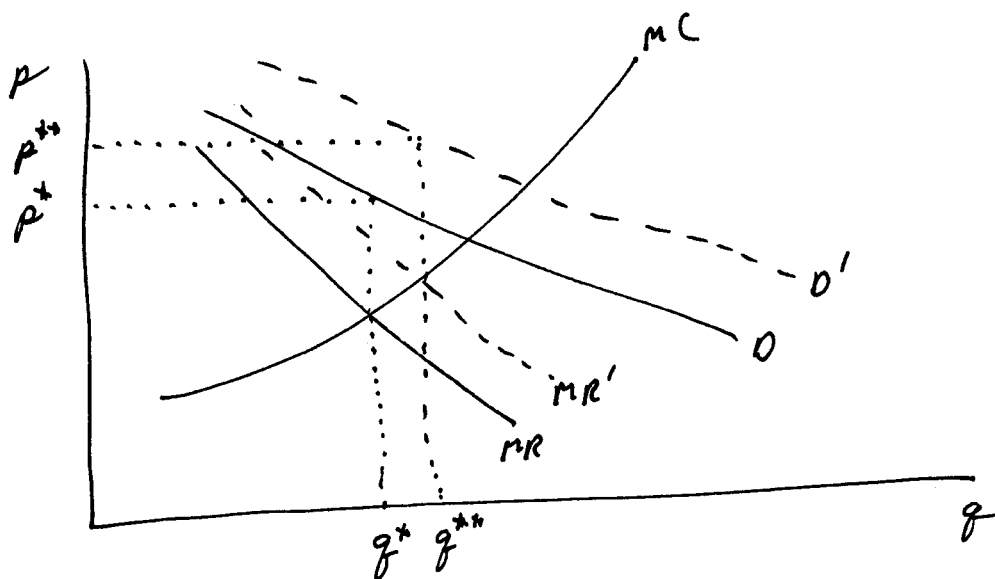
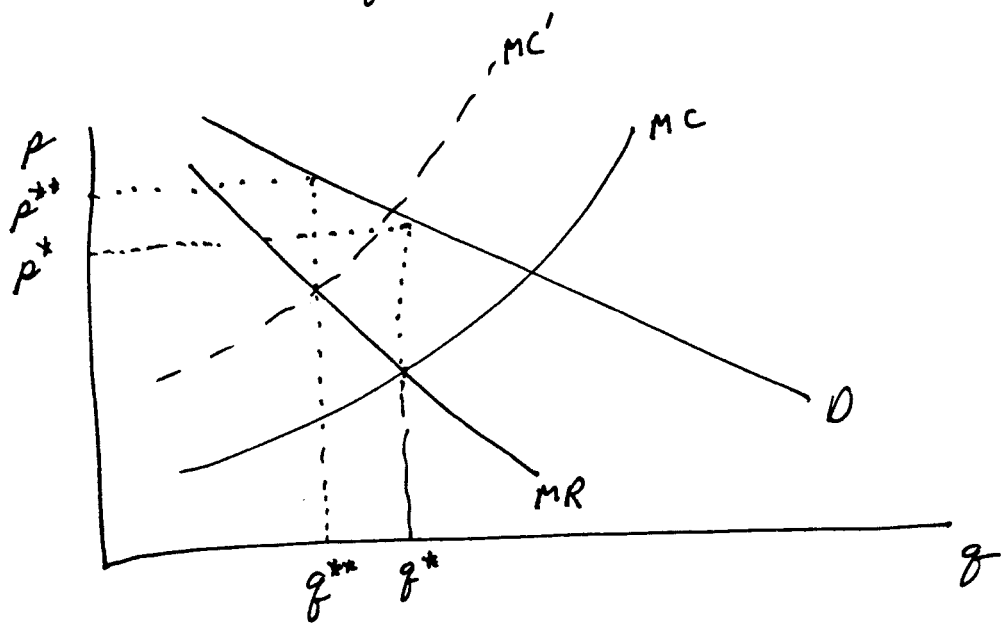
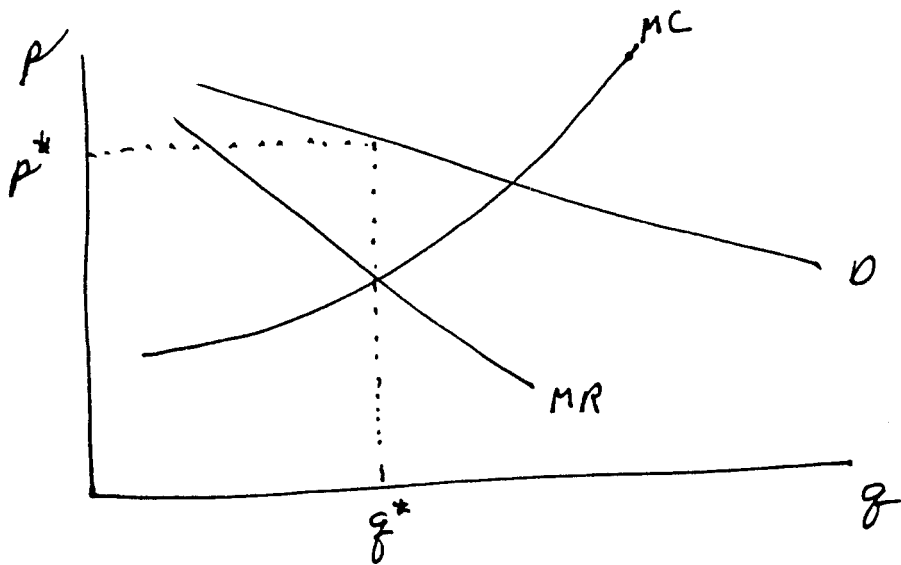
$$(5) M^s = M$$

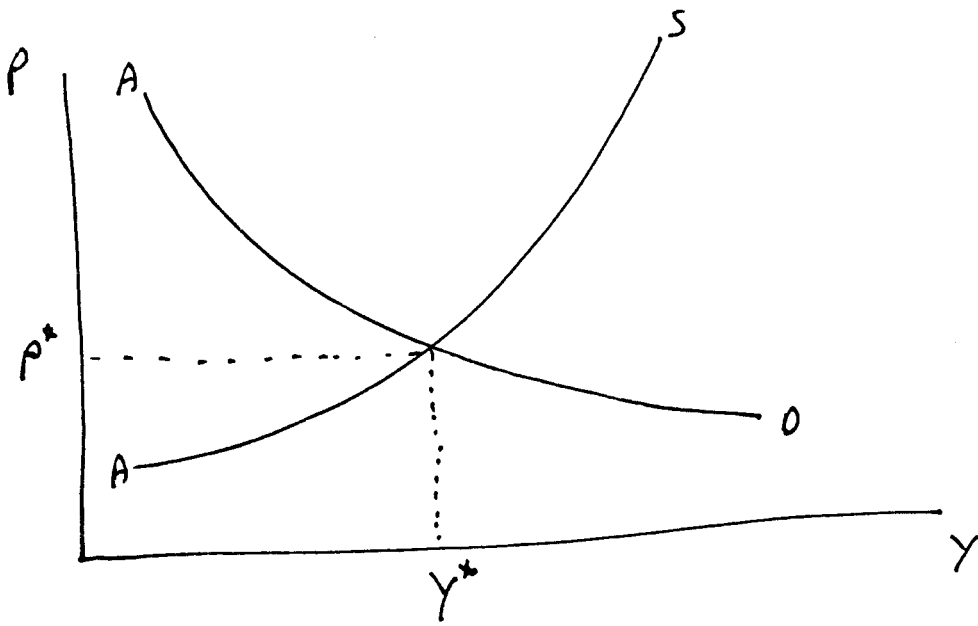
$$(6) M^s = M^d$$

$$(6)' Y = \frac{1}{g} \frac{M}{P} - \frac{h}{g} r$$

$$(3)'' Y = \left(\frac{e}{h(1-b) + eg} \right) \frac{M}{P} + \left(\frac{h}{h(1-b) + eg} \right) G$$







(7) $P = f(Y^+, PM^+)$

