Classical: complete wage-price flexibility constant constant constant zero; neutrality of money changes in money supply (nominal variable) causes change in price level, and wage rate (both nominal variable), no change in real variables (Y is a real variable). Another terminology: Classical Dichotomy.

Profit:

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M

Elasticity of money demand with respect to real income

Elasticity of money demand with respect to nominal interest rate

IS-LM: Assumption ,