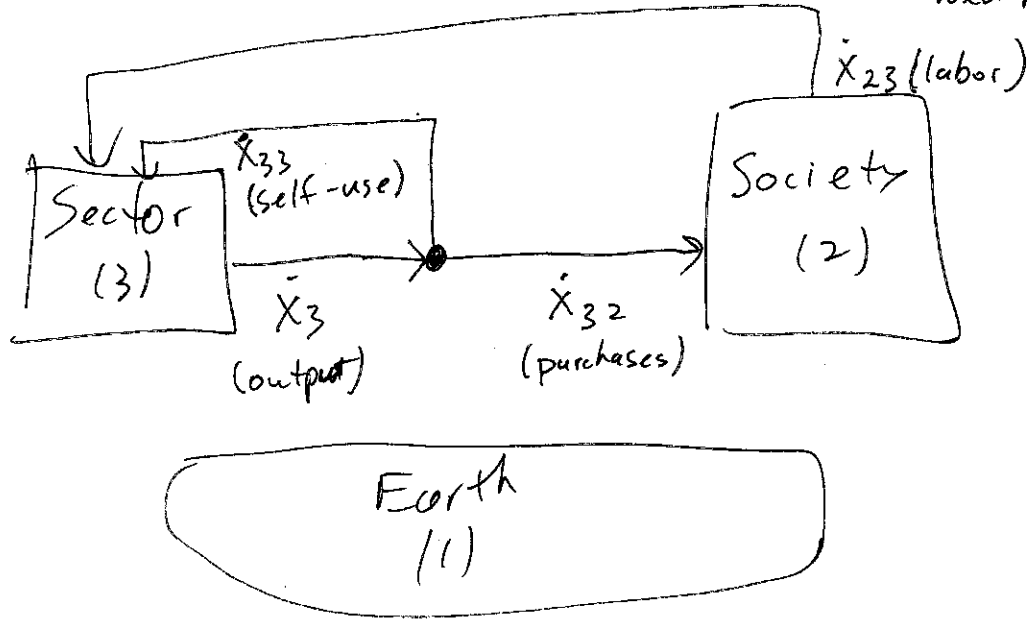


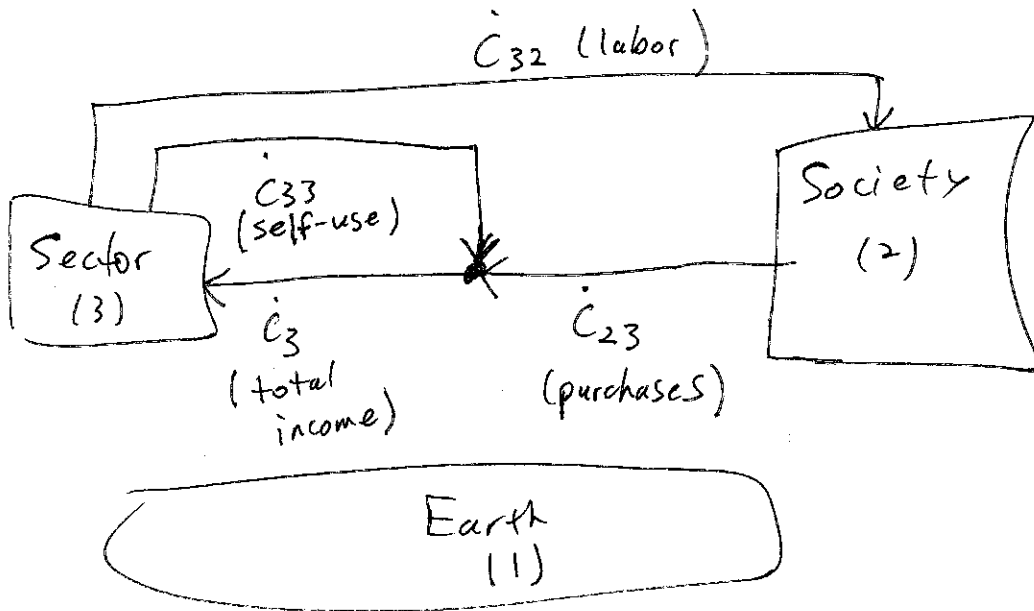
24 July 2013  
wed MKH

(1)



Notes:  $\dot{X}_{23}$  missing from Example B.

•  $\dot{E}_{23}$  missing from Example B. Energy from labor?



24 July 2013  
Wed MKH (2)

$$\frac{dX_3}{dt} = \dot{X}_{23} + \dot{X}_{33} - \dot{X}_3$$

$$\frac{dC_3}{dt} = \dot{C}_3 - \dot{C}_{32} - \dot{C}_{33}$$

- Are the following true?

$$\dot{C}_3 = \dot{X}_3 \quad (\text{currency in} = \text{value out})$$

If so,

$$\dot{C}_{23} = \dot{X}_{32} \quad (\text{purchases})$$

$$\frac{dC_3}{dt} = - \frac{dX_3}{dt}$$

$$\dot{C}_{32} = \dot{X}_{23} \quad (\text{labor})$$

$$\dot{C}_{33} = \dot{X}_{33} \quad (\text{self-use})$$

- Are  $\frac{dX_3}{dt}$  and  $\frac{dC_3}{dt}$  available in BEA?

Specifically, is  $\frac{dC_3}{dt} = \text{profit?}$  or value added?

- What of the role of banks, the Fed, and inflation? Should we be discussing inflation-adjusted  $\dot{X}$  and  $\dot{C}$  values only?

- It is unclear to me how the above eqns may help to untangle  $\epsilon_3$  and  $\frac{dB_3}{dt}$ .  
Eqn. 5.21 includes only an  $\dot{X}_3$  term.