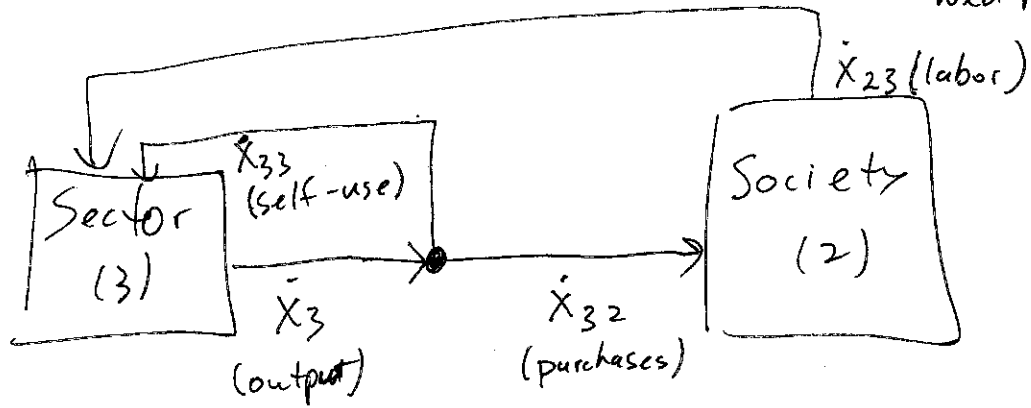


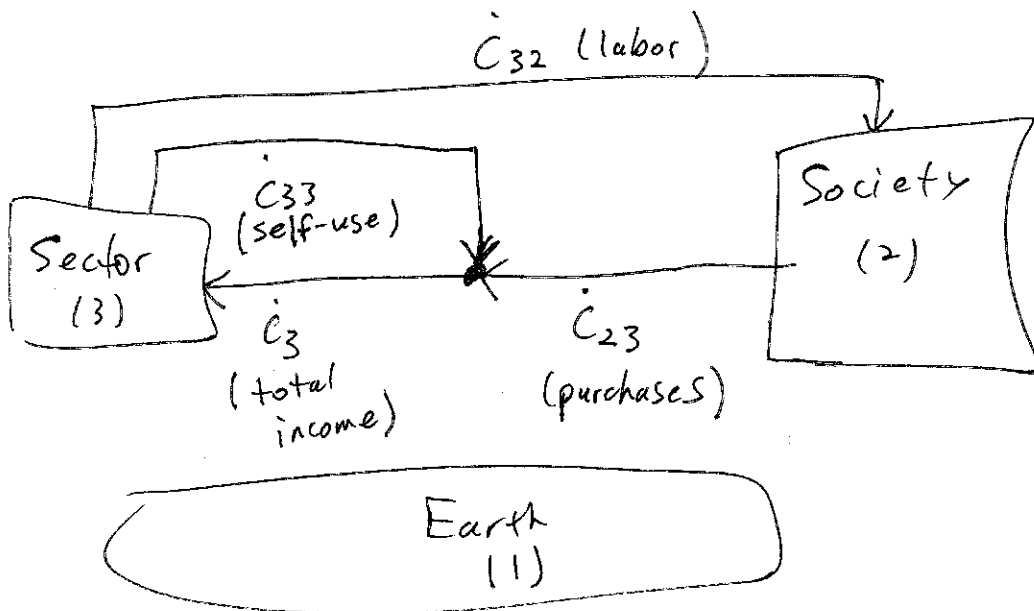
24 July 2013
wed MKH

(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?

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

If so,

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

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

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

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

- 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 ϵ_3 and $\frac{dB_3}{dt}$.
Eqn. 5.21 includes only an \dot{X}_3 term.