



Deposit

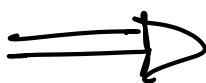


Some other
Bank

Some other
Bank



Loan





.... Goes on

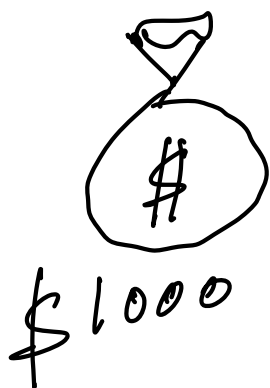
10 %
\$ 81

Loan
\$ 729

\$100	\$90	\$81	\$72.90	\$65.61
\$1000	\$900	\$810	\$729	\$656.10

Sum total = \$4,095.10

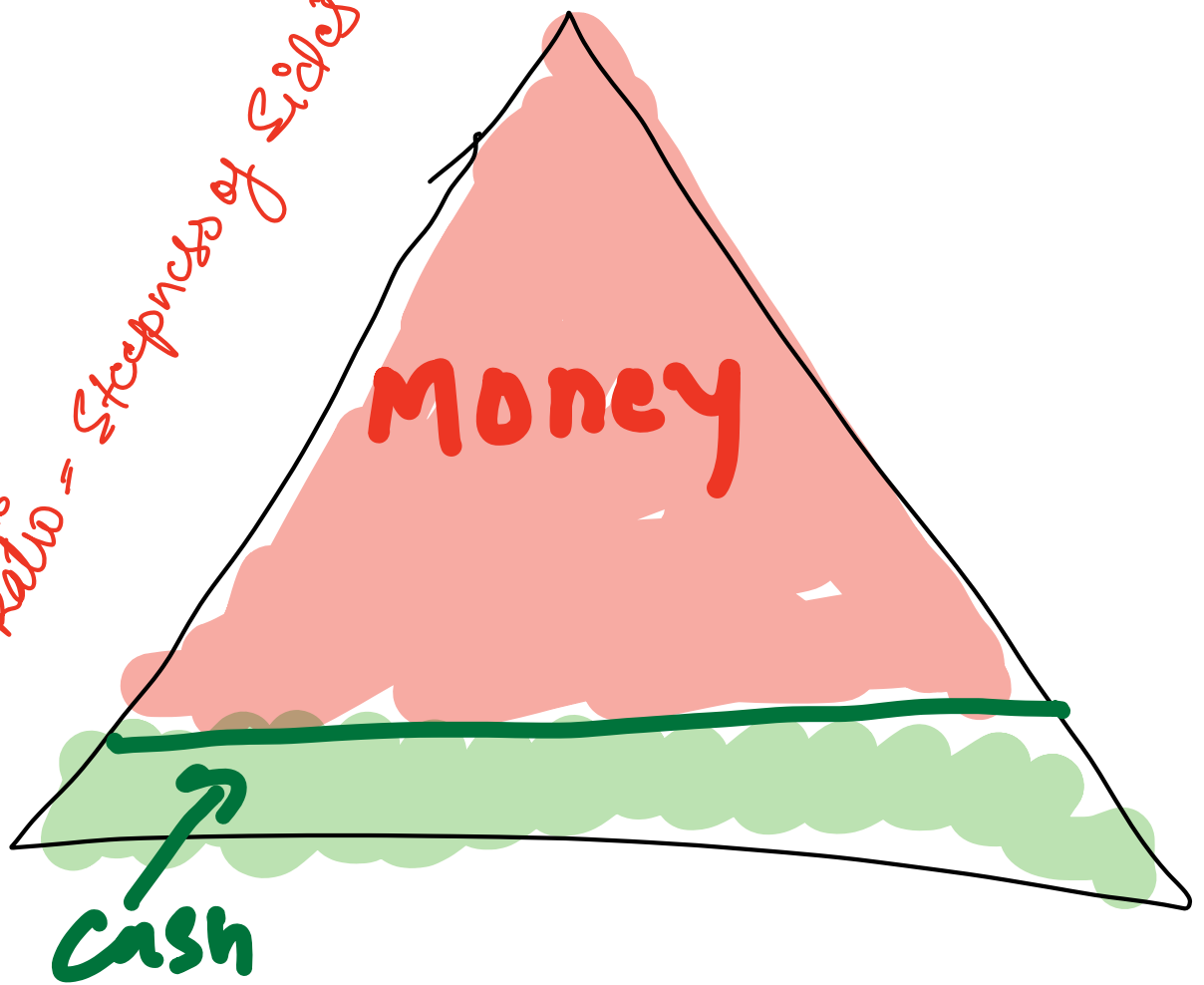
Debt = -\$4,095.10



→ \$10,000

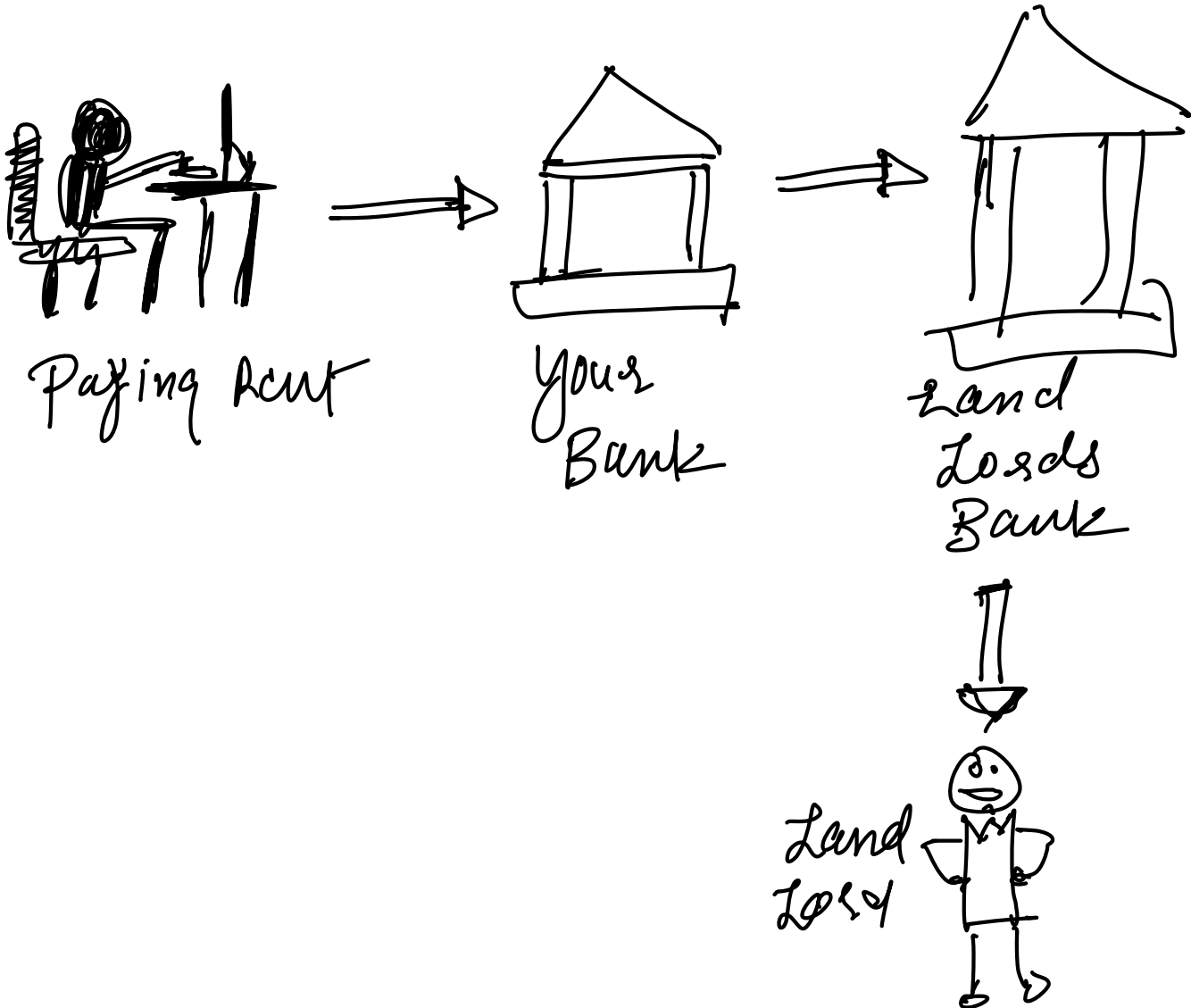
Created money out of nothing!

Reserve Ratio = Steepness of Sides

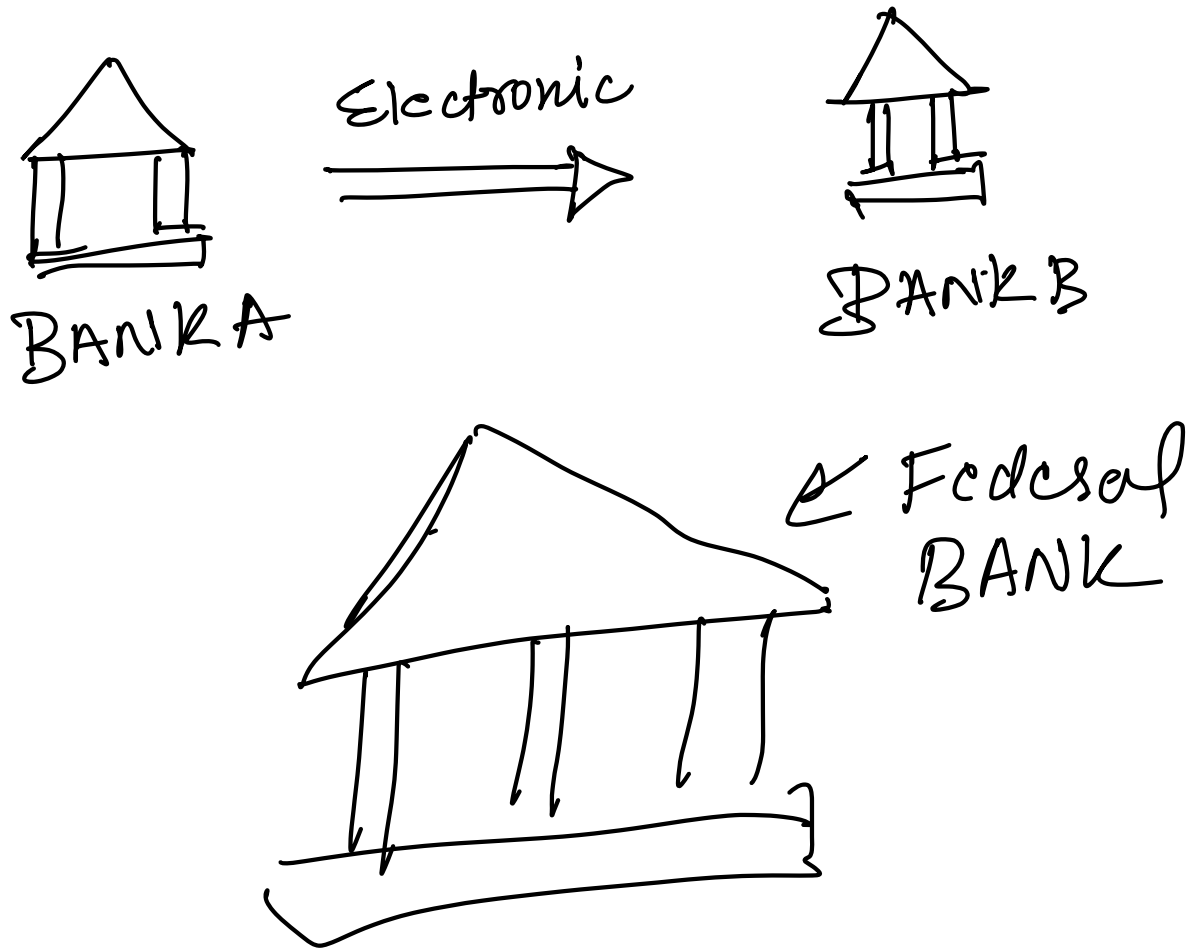


Three Types of money

- ① cash
↳ only federal govt. is allowed to create this



Electronic money



② Central Bank Reserve

What's in your Bank

③

?

Numbers in your account

- Bank deposits
- Demand deposits
- Bank liability etc.
- Bank Credit

0	1	0	0	0	1	0	0	0	1	0	1	0	0	0	1
1	1	0	0	1	0	0	1	0	0	0	1	0	0	0	1
1	1	1	0	0	1	0	0	0	1	1	1	0	0	1	0

→ This is how your money looks like

