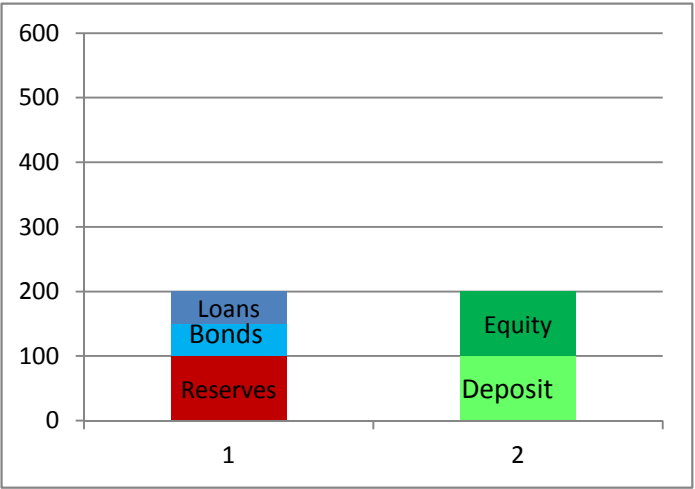


1. Loanable fund economy

Aggregate balance sheet bank sector

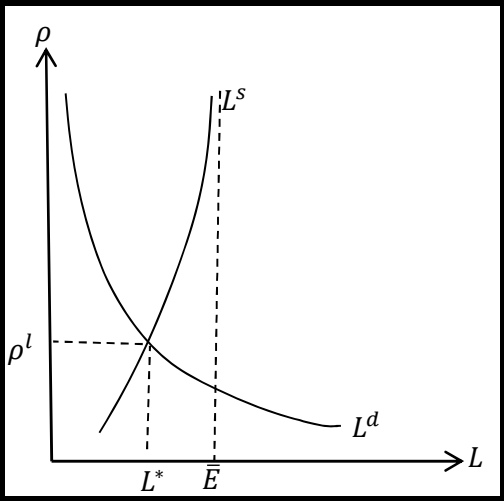


Numbers (illustration)

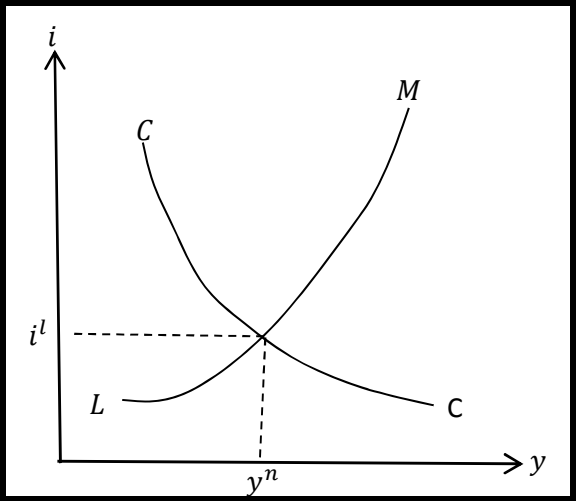
	Assets	Liabilities
Loans	50	100 Equity
Bonds	50	100 Deposit
Reserves	100	0
	200	200

M0	200
M1	200
RES	100 %
CAP	50,00 %

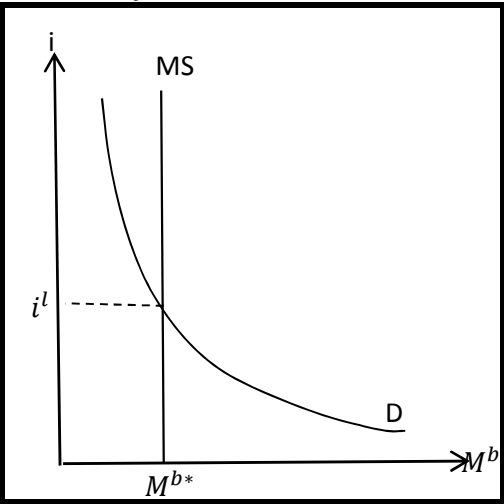
The loan market



The goods, money and loan market

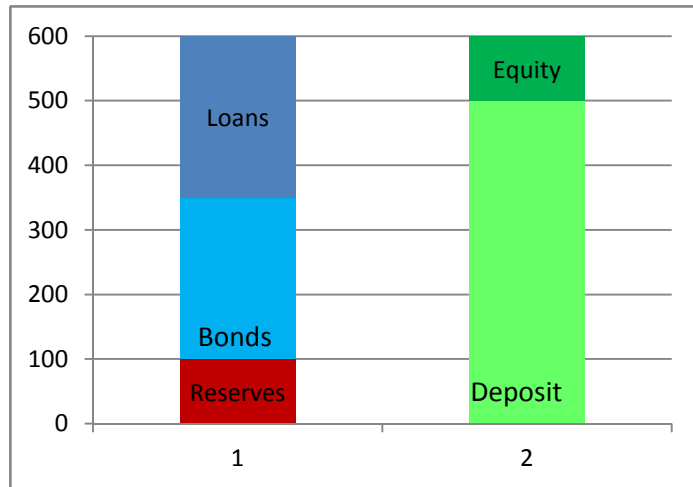


The money market

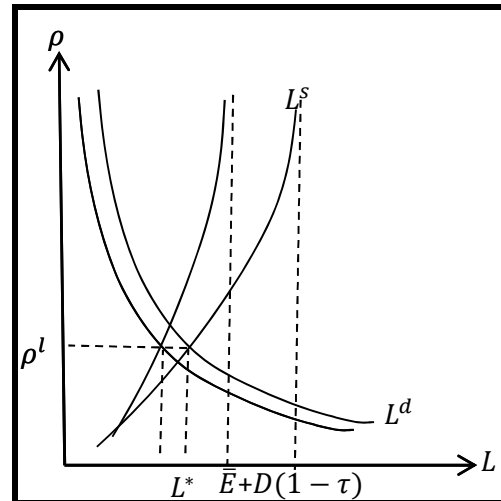


2. Fractional reserve banking with reserve requirement

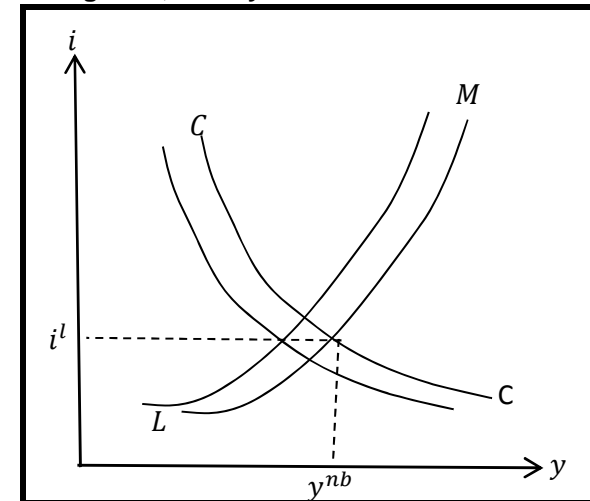
Aggregate balance sheet bank sector



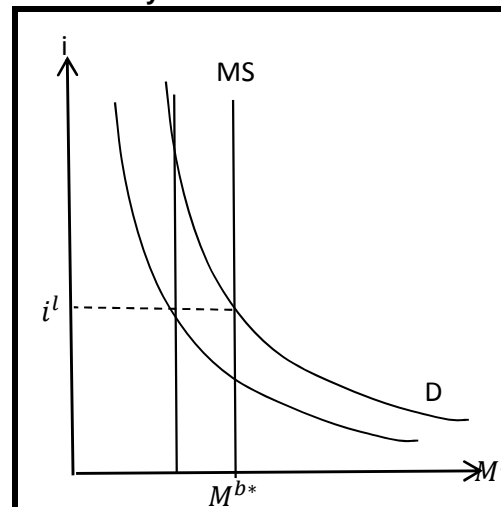
The loan market



The goods, money and loan market



The money market



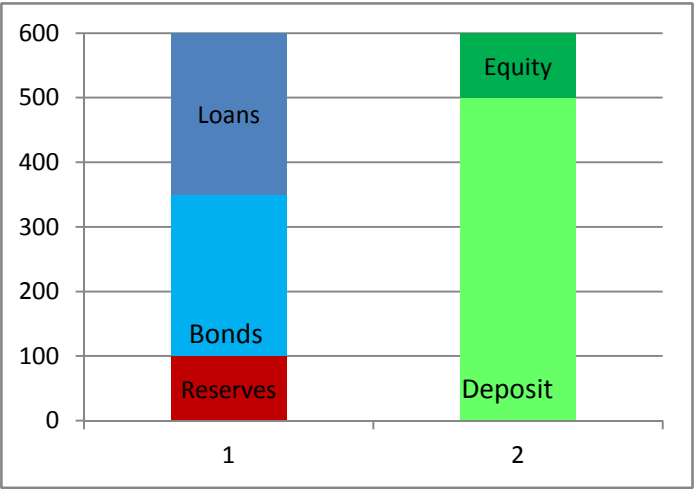
Numbers (illustration)

	Assets	Liabilities
Loans	250	100 Equity
Bonds	250	500 Deposit
Reserves	100	0
	600	600

M0	200
M1	600
RES	20 %
CAP	16,67 %

3. Endogenous money economy

Aggregate balance sheet bank sector

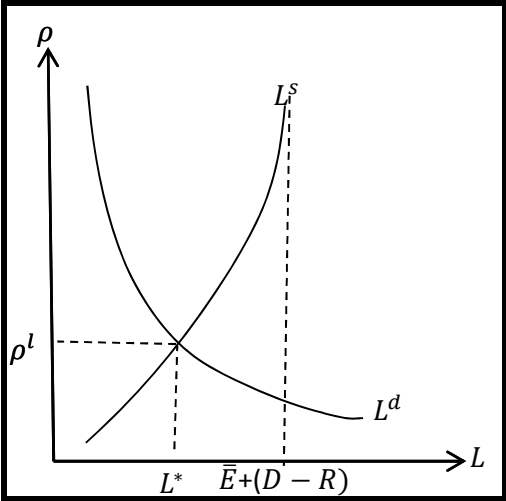


Numbers (illustration)

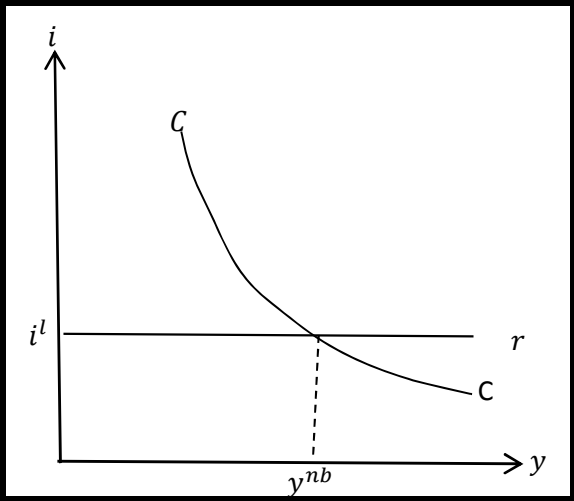
	Assets	Liabilities
Loans	250	100 Equity
Bonds	250	500 Deposit
Reserves	100	0
	600	600

M0	200
M1	600
RES	20 %
CAP	16,67 %

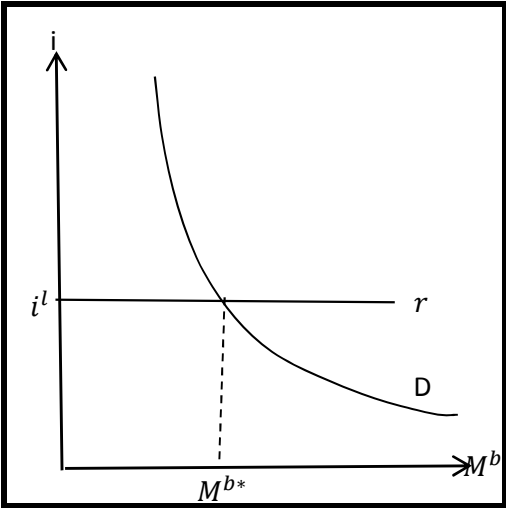
The loan market



The goods, money and loan market

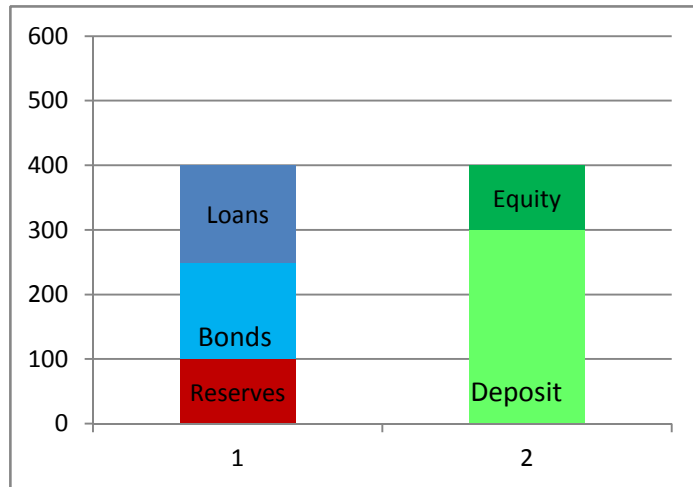


The money market

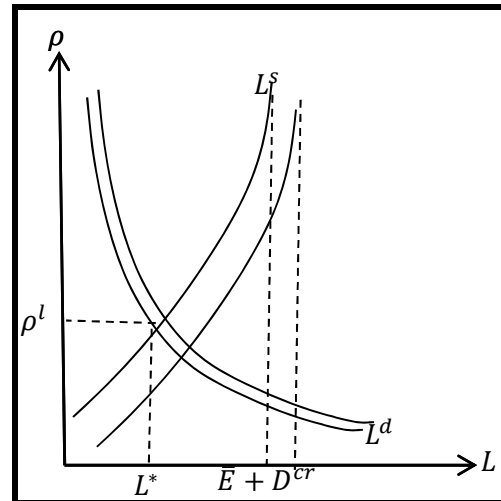


4. Endogenous money economy with increasing capital requirement

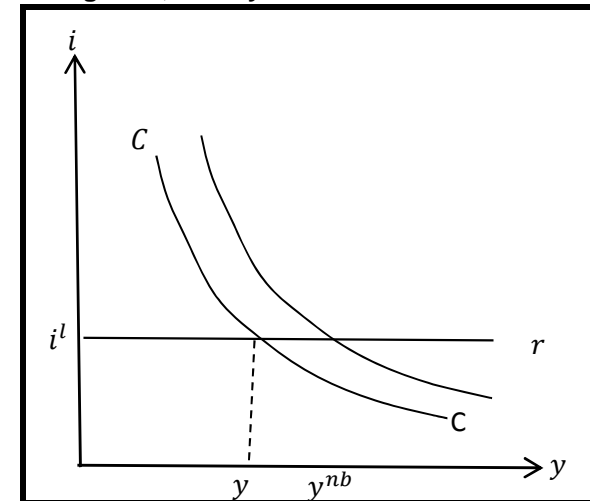
Aggregate balance sheet bank sector



The loan market



The goods, money and loan market

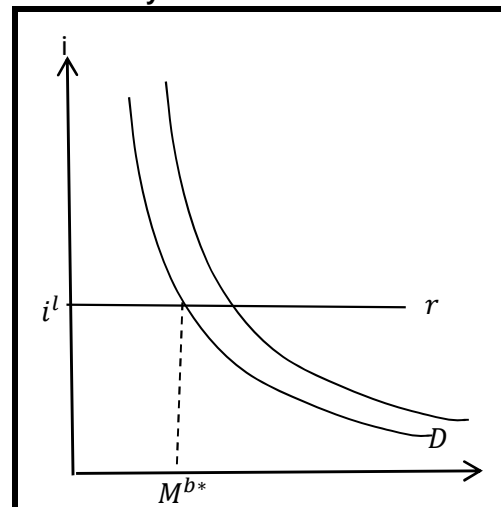


Numbers (illustration)

	Assets		Liabilities	
Loans	150		100	Equity
Bonds	150		300	Deposit
Reserves	100		0	
	400		400	

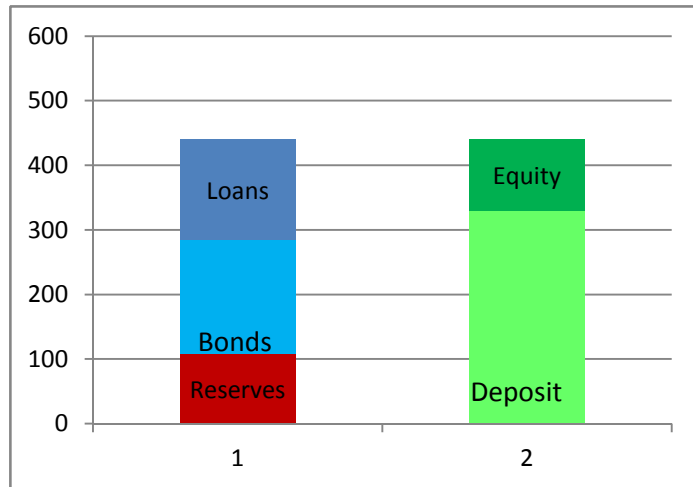
M0	400
M1	500
RES	33 %
CAP	25,00 %

The money market

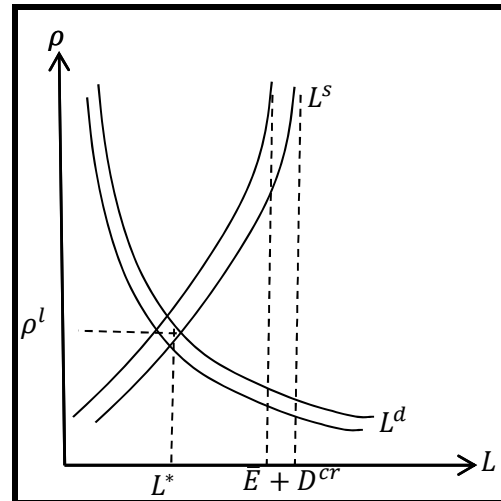


5. Endogenous money economy with increasing capital requirement and lowering interest rate

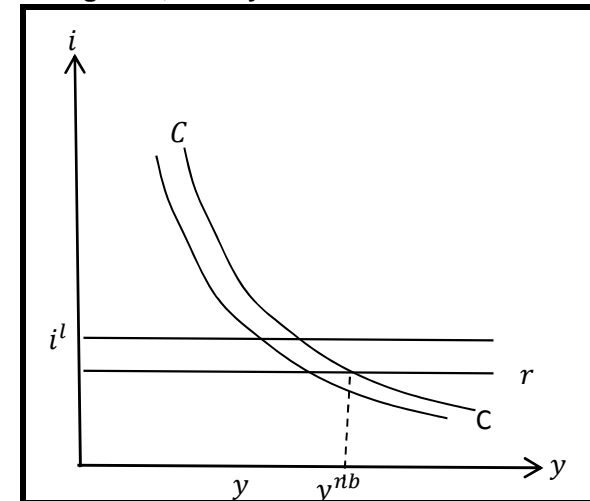
Aggregate balance sheet bank sector



The loan market



The goods, money and loan market



Numbers (illustration)

	Assets	Liabilities
Loans	156	110 Equity
Bonds	176	330 Deposit
Reserves	108	0
	440	440

M0	440
M1	662
RES	33 %
CAP	25,00 %

The money market

