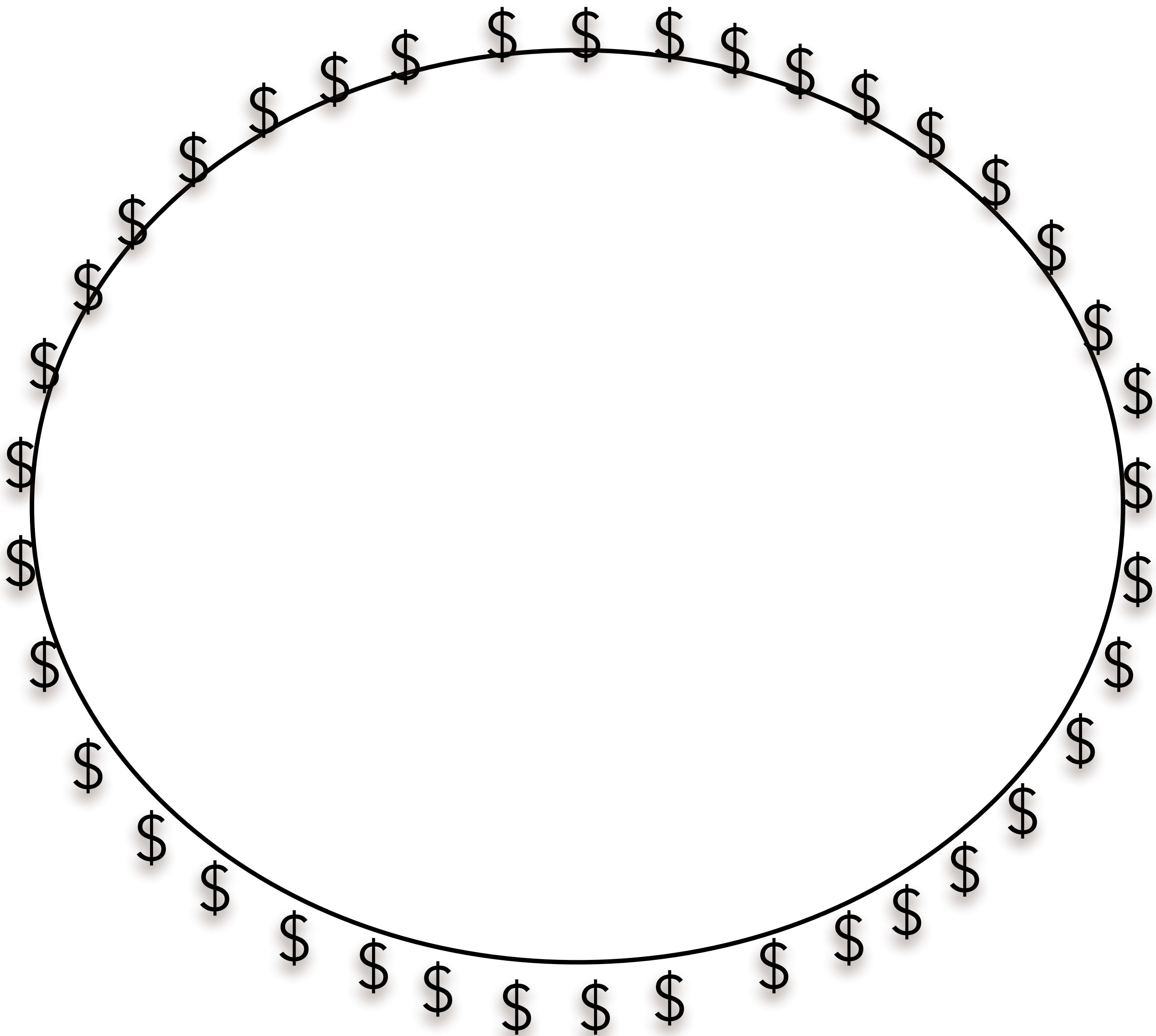


Households

Firms

Government


Rest of
the
World



Money Supply

Total Amount of Money


available to make payments to
each other



What happens
when new money
comes in?

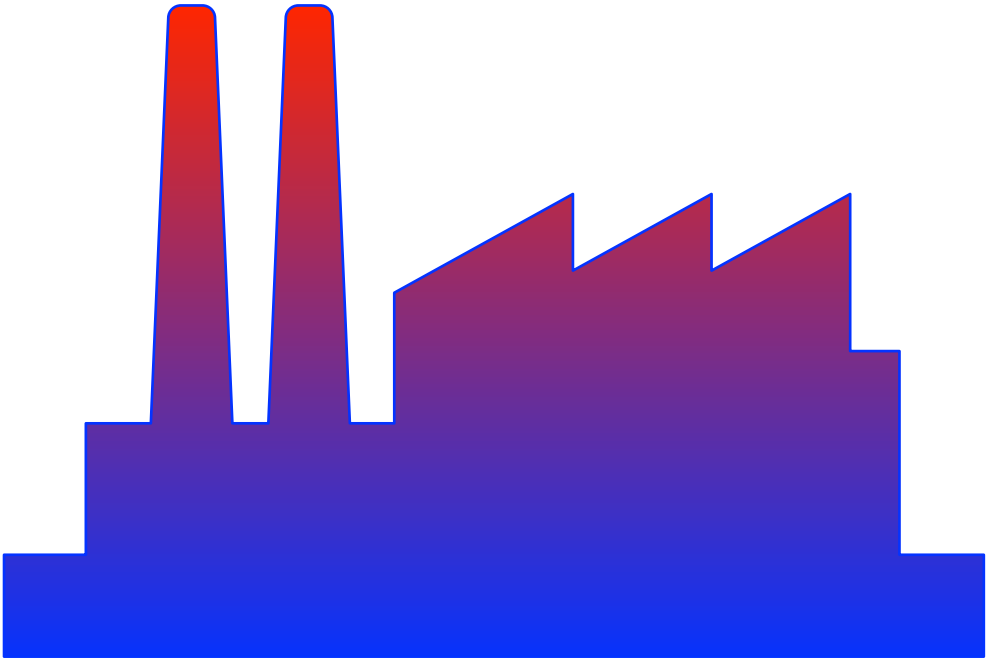
New Money

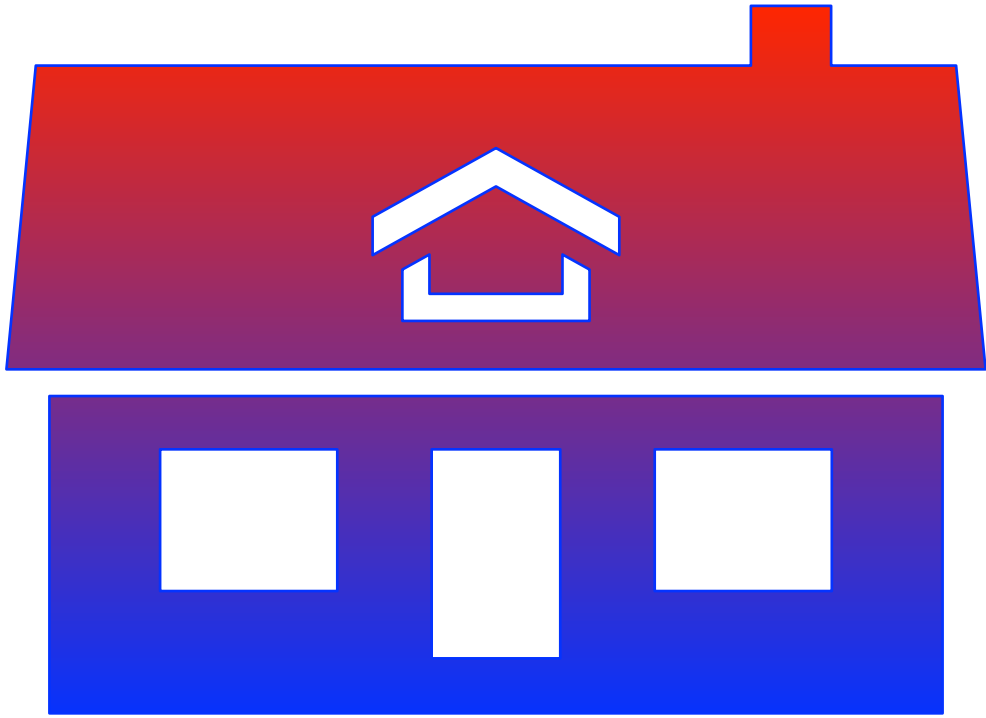




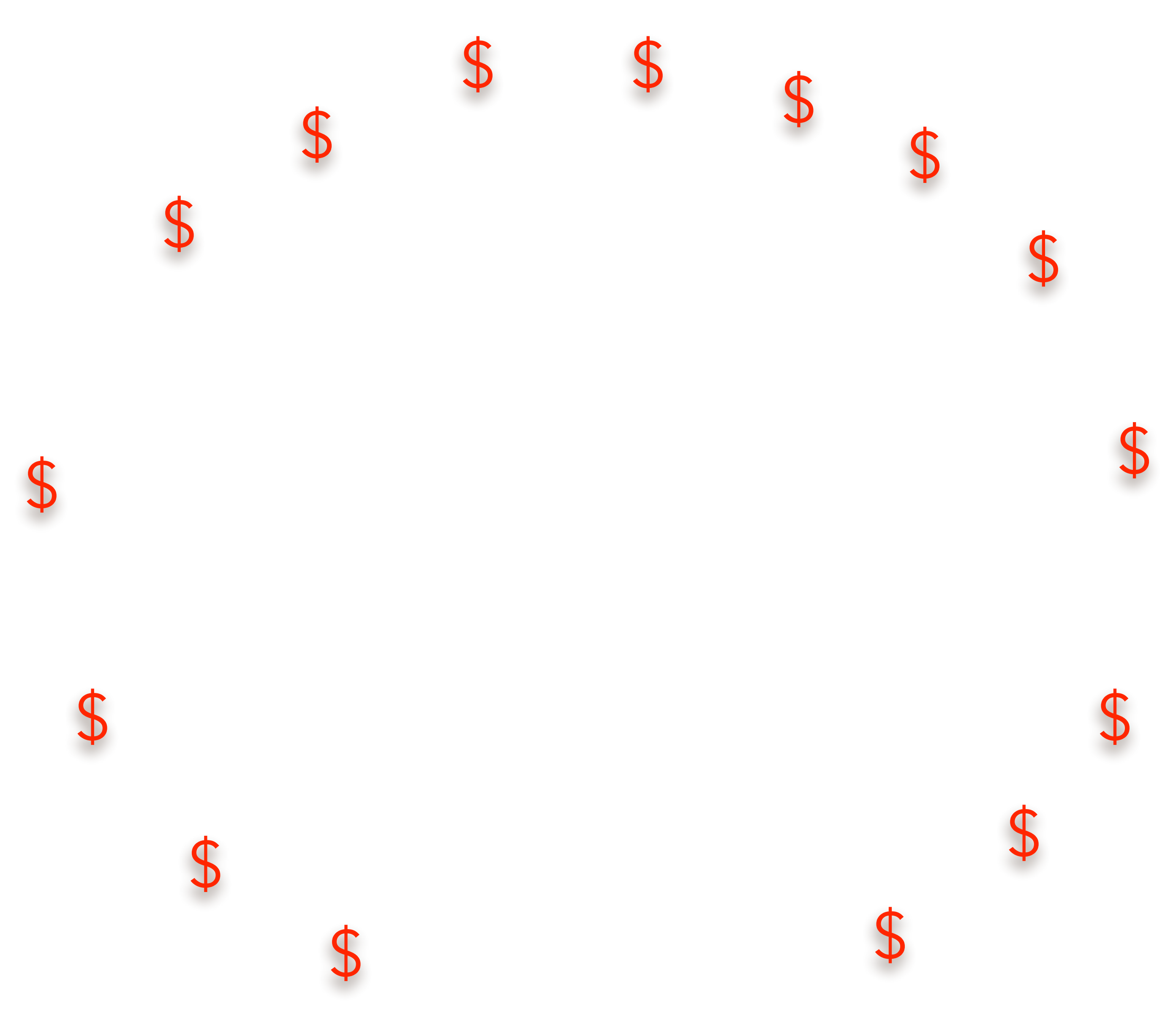
Where does new
money come
from?













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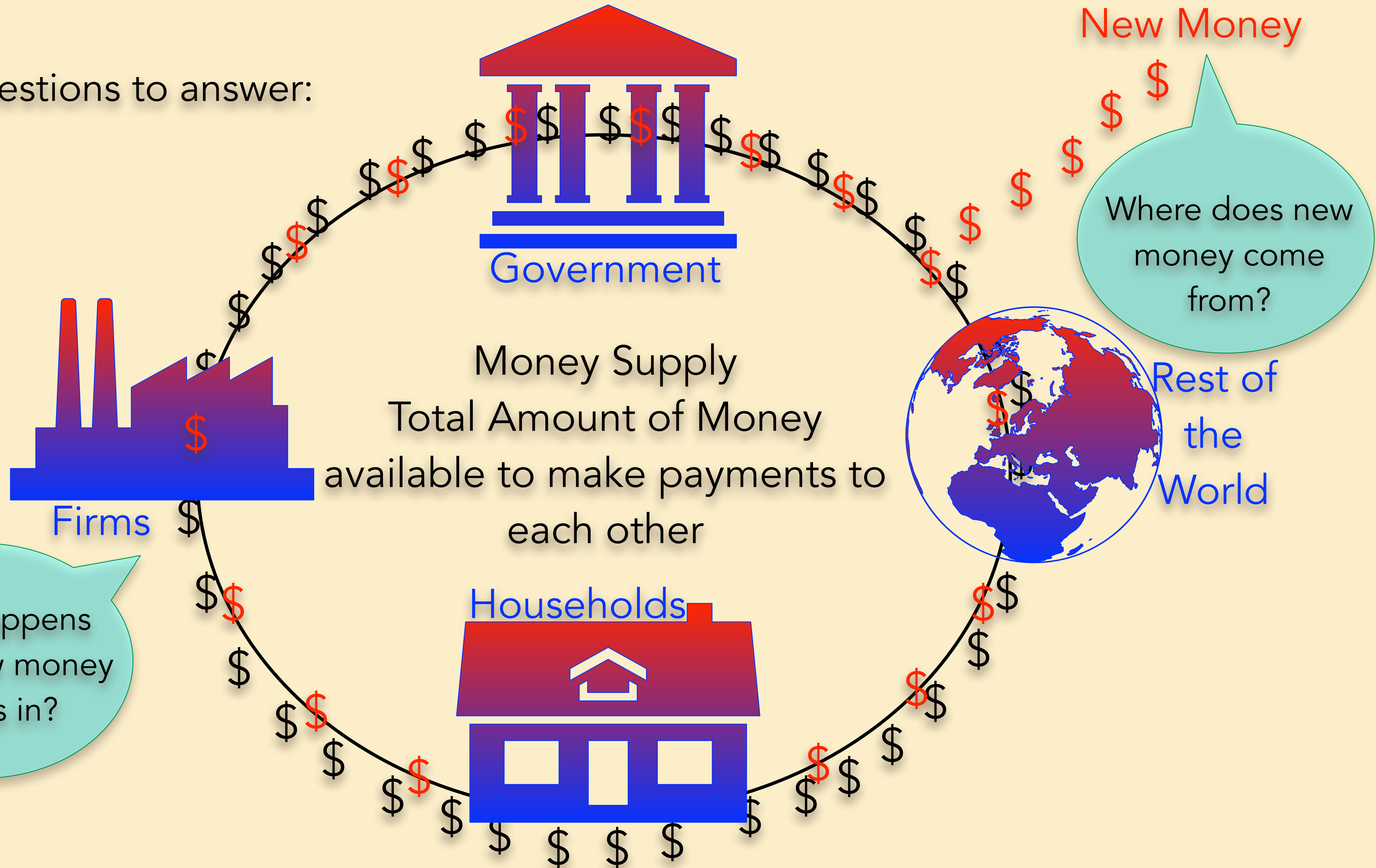
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Two questions to answer:

Two questions to answer:





Where does new
money come
from?