

Interest Rate

Lenders Supply funds in this market: banks,
consumers, the U.S. Government

Borrowers Demand funds in this market:
consumers, firms, the U.S. Government



Price of Money

Money Market

M

a



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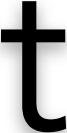
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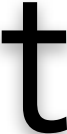
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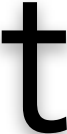


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Market Forces are best to determine interest rates

Money Market

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