

As Price of money Drops

Quantity Demanded for funds (borrowing)

Increase

Interest Rate

Quantity Borrowed

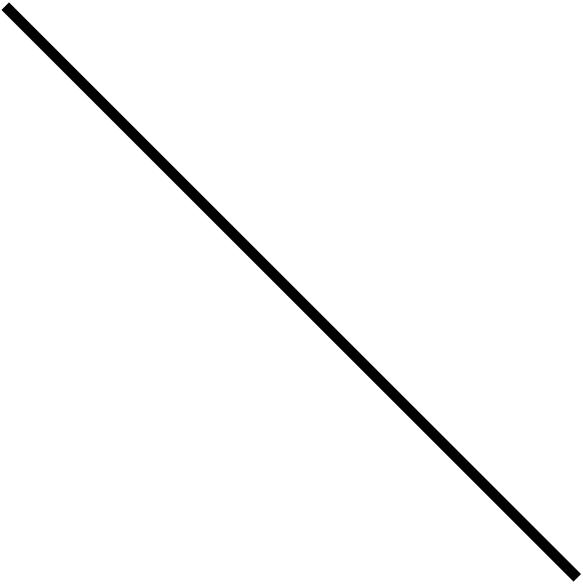
2% -----

5% -----

6

10%

5

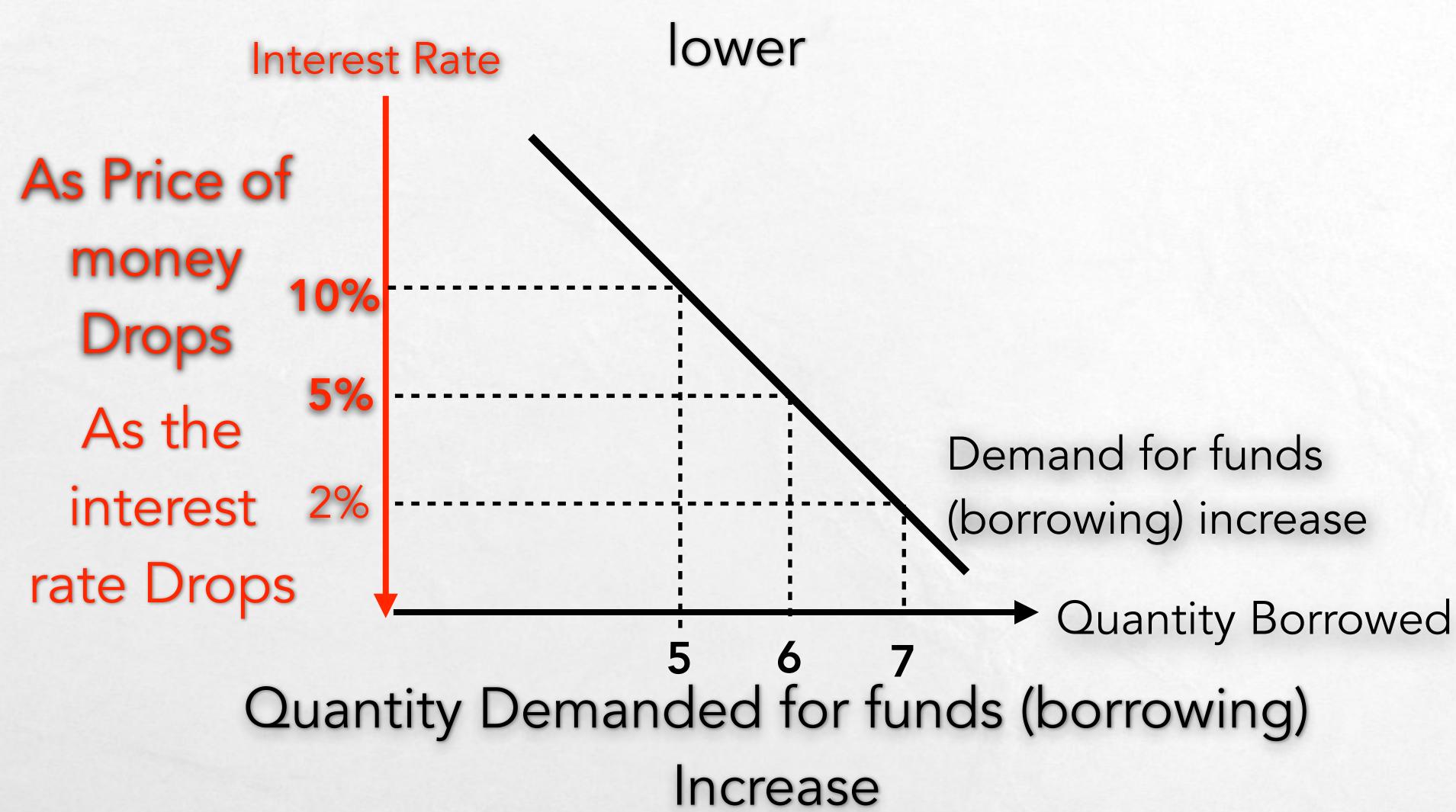


More people are willing and able to borrow when interest rate is lower

Demand for funds (borrowing) increase

As the interest rate Drops

More people are willing and able to borrow when interest rate is



Rental Market