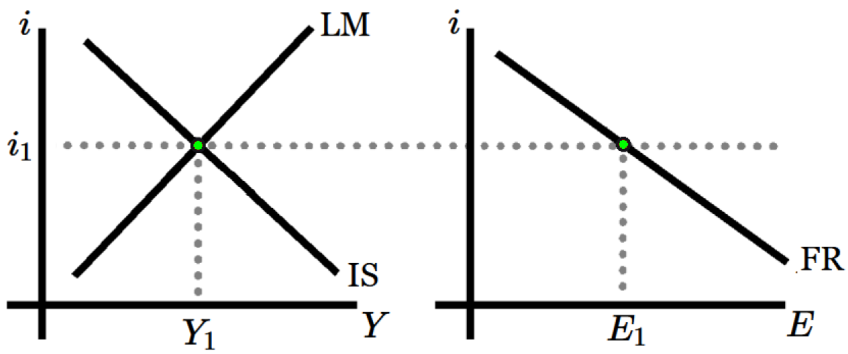
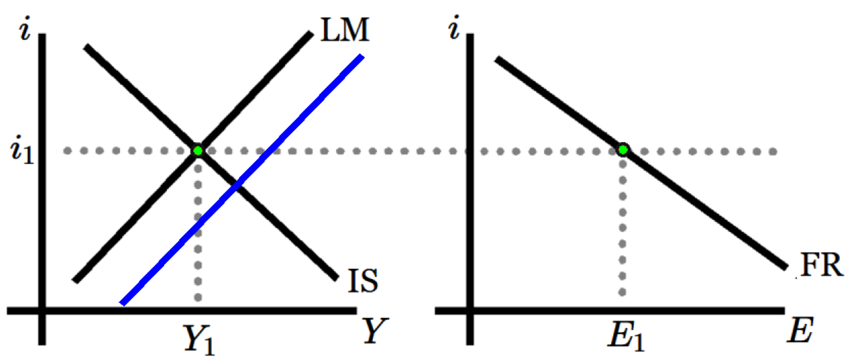
Blue is the shock, red is the response of the central bank. I didn't label everything; I just did IS/LM shifts and/or FR shifts. On the exam, label everything it tells you to label.

0 Initial Equilibrium (Before Shocks)



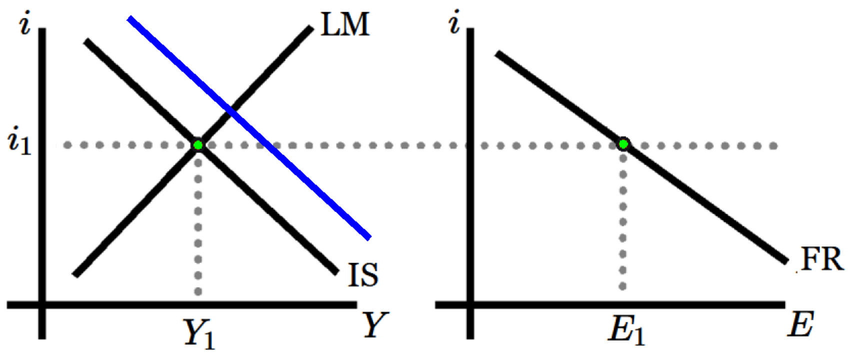
1 Preliminary: Money Supply Increases

1.1 Floating, No Stabilization Policy

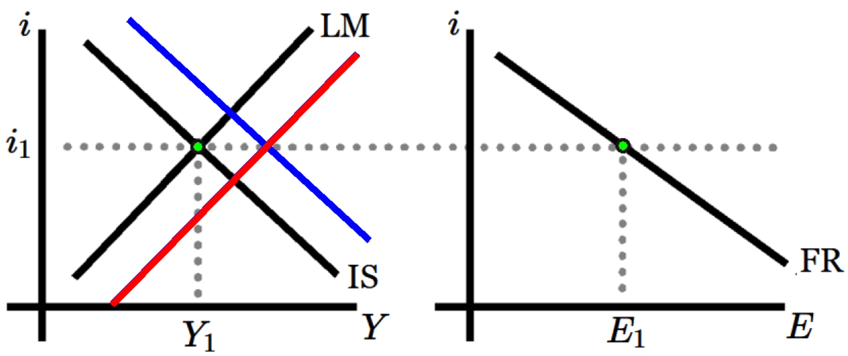


2 Government Spending Increases

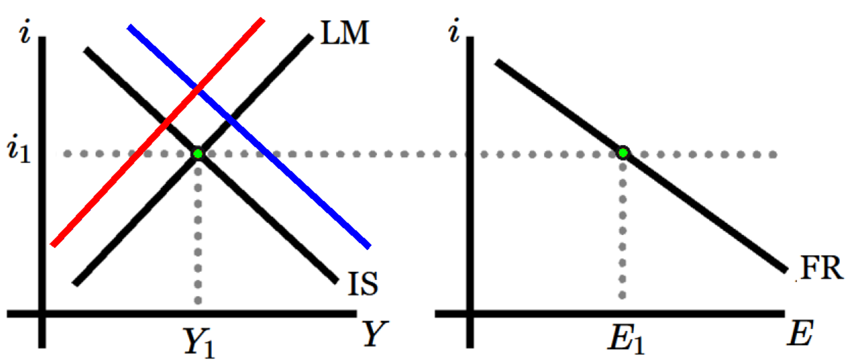
2.1 Floating, No Stabilization Policy



2.2 Fixed, No Stabilization Policy

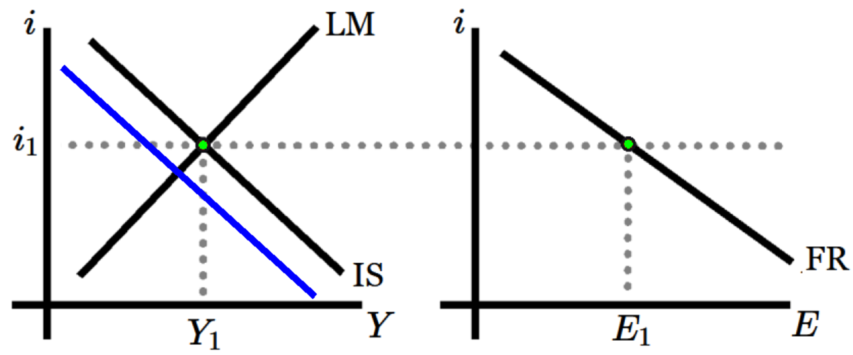


2.3 Floating, Monetary Stabilization Policy

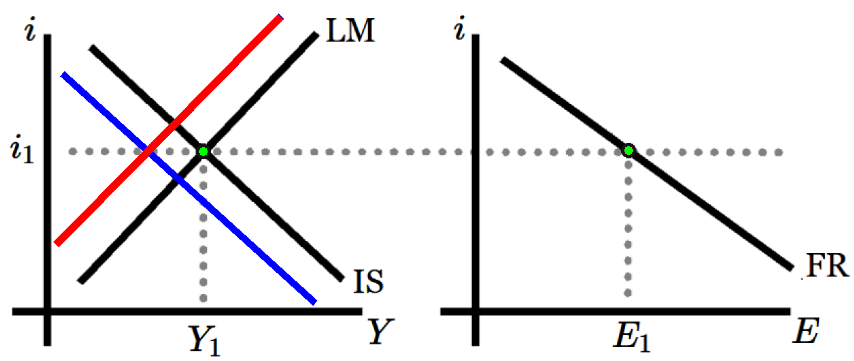


3 Consumer Confidence Decreases

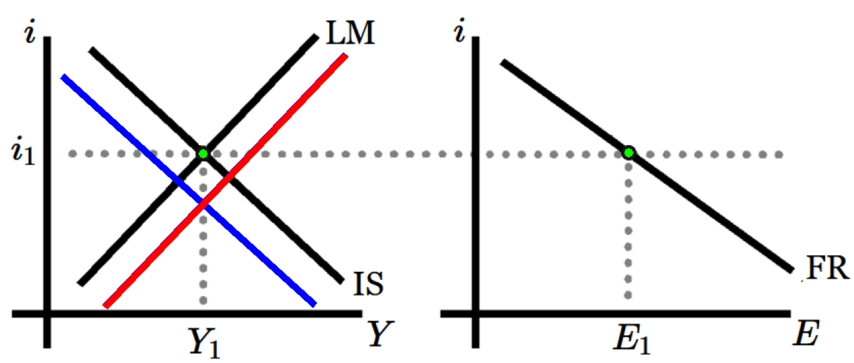
3.1 Floating, No Stabilization Policy



3.2 Fixed, No Stabilization Policy

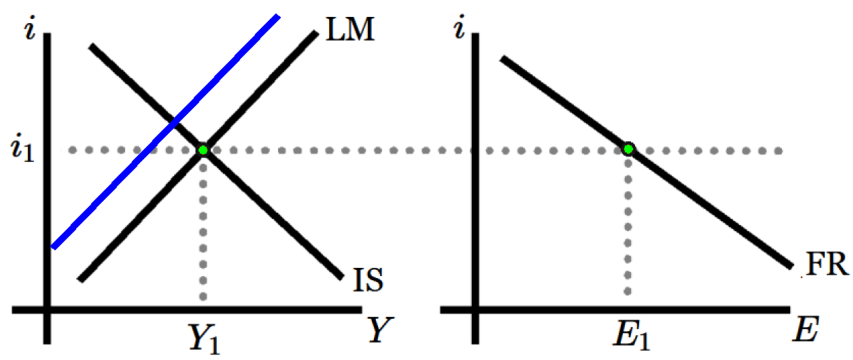


3.3 Floating, Monetary Stabilization Policy

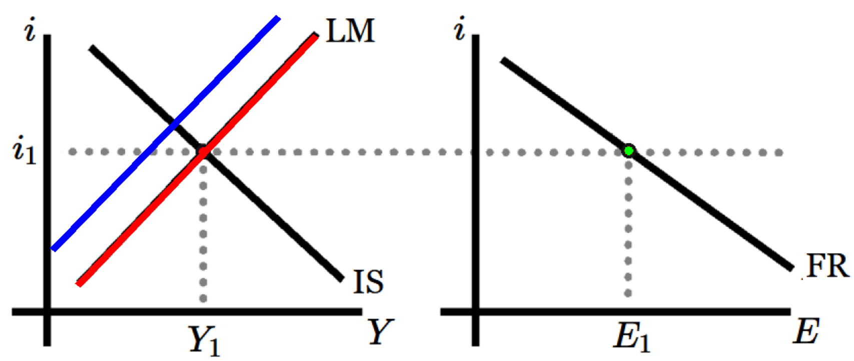


4 Money Demand Increases

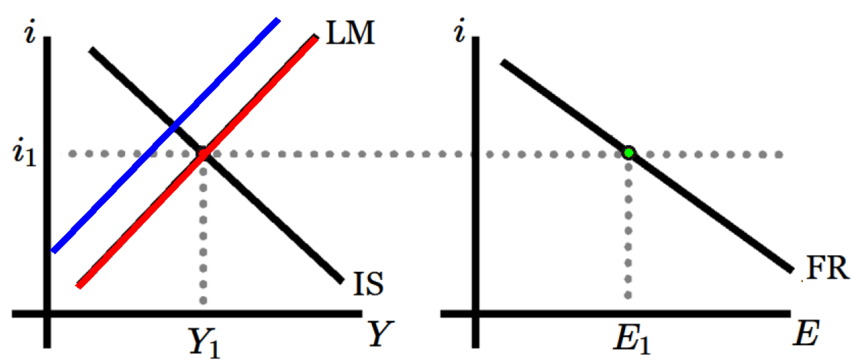
4.1 Floating, No Stabilization Policy



4.2 Fixed, No Stabilization Policy

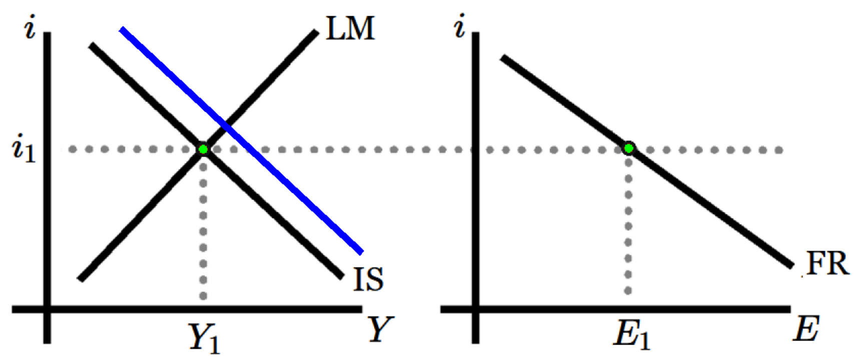


4.3 Floating, Monetary Stabilization Policy

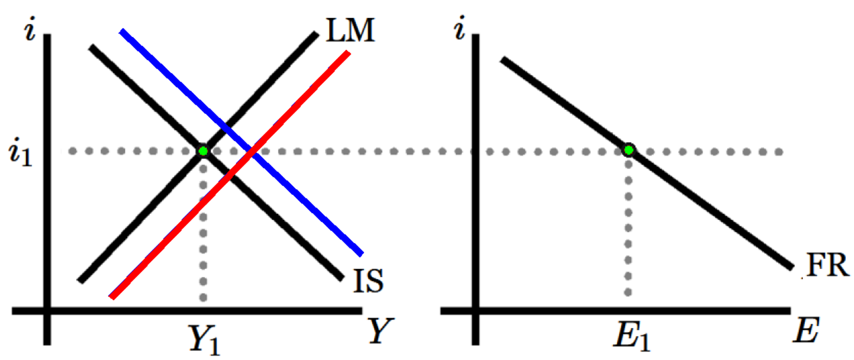


5 Foreign Output Increases

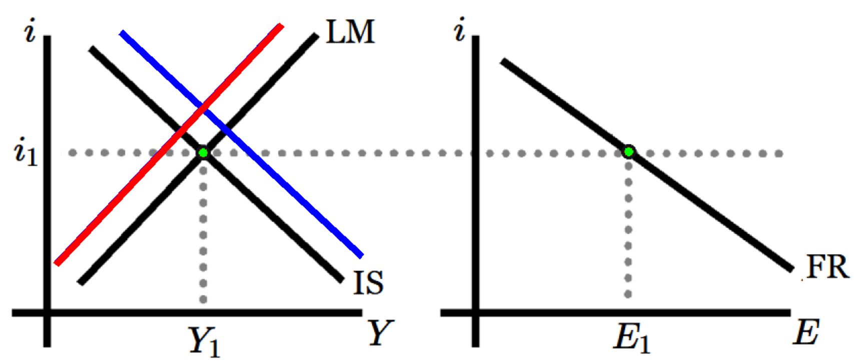
5.1 Floating, No Stabilization Policy



5.2 Fixed, No Stabilization Policy

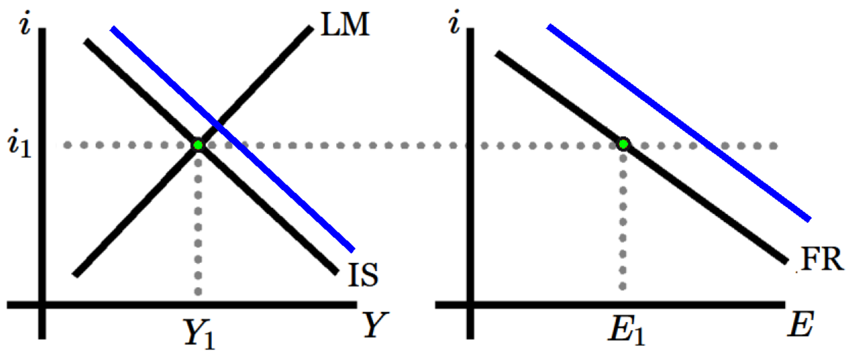


5.3 Floating, Monetary Stabilization Policy

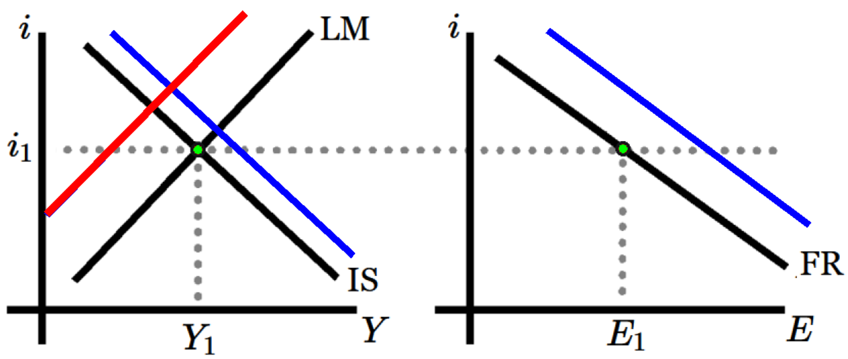


6 Expected Depreciation

6.1 Floating, No Stabilization Policy



6.2 Fixed, No Stabilization Policy



6.3 Floating, Monetary Stabilization Policy