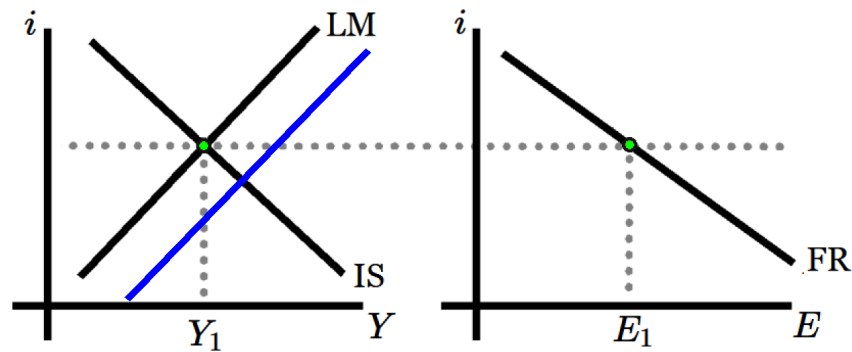


Blue is the shock, red is the response of the central bank. I didn't label everything; I just did the IS/LM shifts. On the exam, you should label everything it tells you to label.

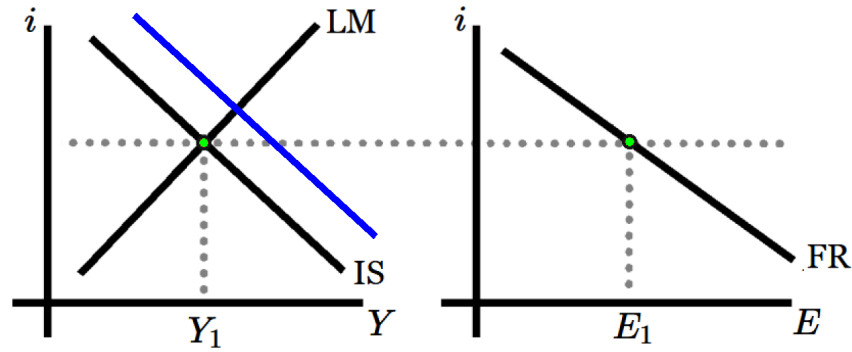
# 1 Preliminary: Money Supply Increases

## 1.1 Floating, No Stabilization Policy

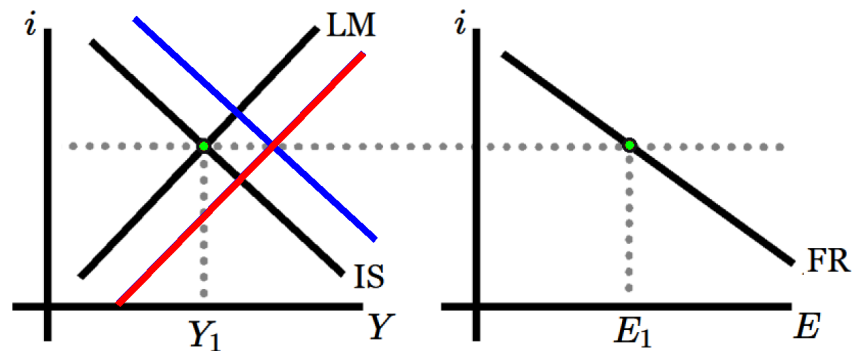


## 2 Government Spending Increases

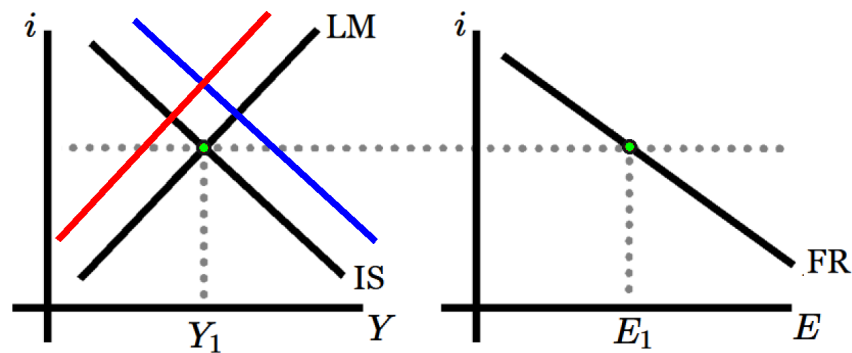
### 2.1 Floating, No Stabilization Policy



### 2.2 Fixed, No Stabilization Policy

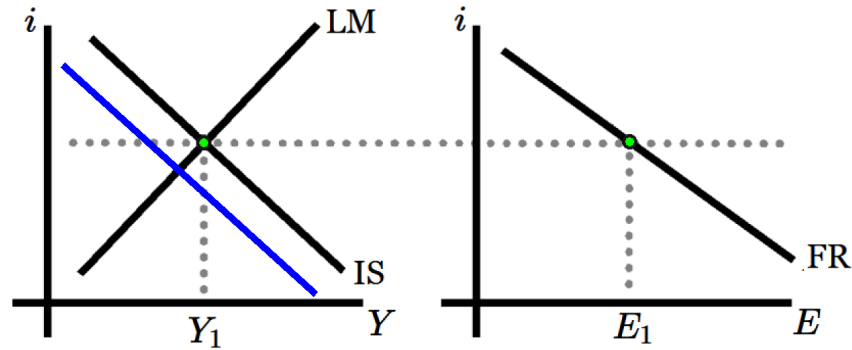


### 2.3 Floating, Monetary Stabilization Policy

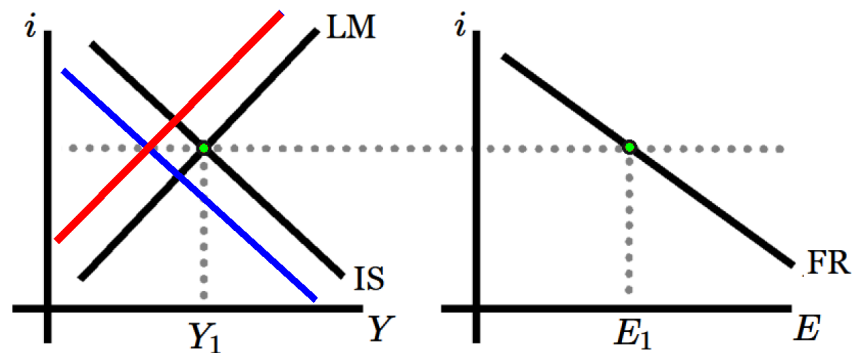


### 3 Consumer Confidence Decreases

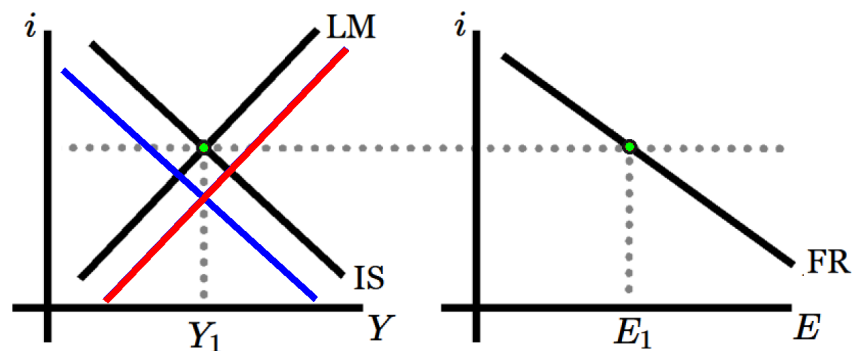
#### 3.1 Floating, No Stabilization Policy



#### 3.2 Fixed, No Stabilization Policy

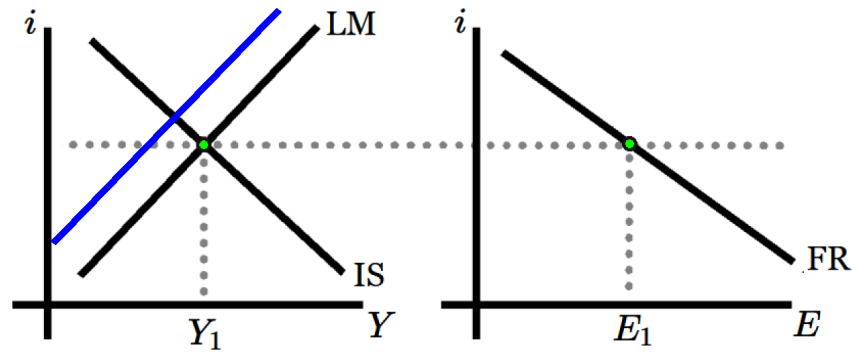


#### 3.3 Floating, Monetary Stabilization Policy

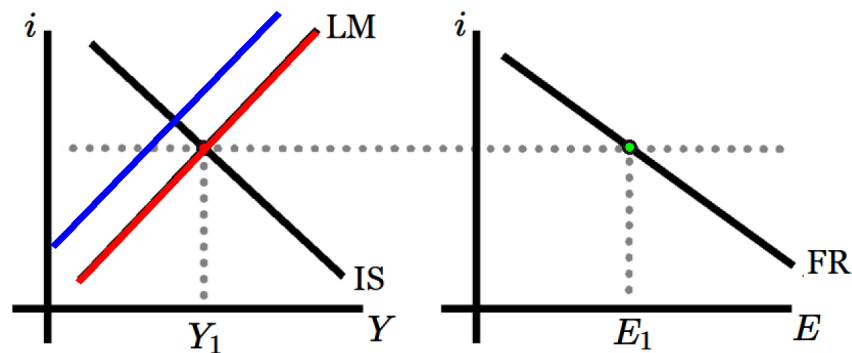


## 4 Money Demand Increases

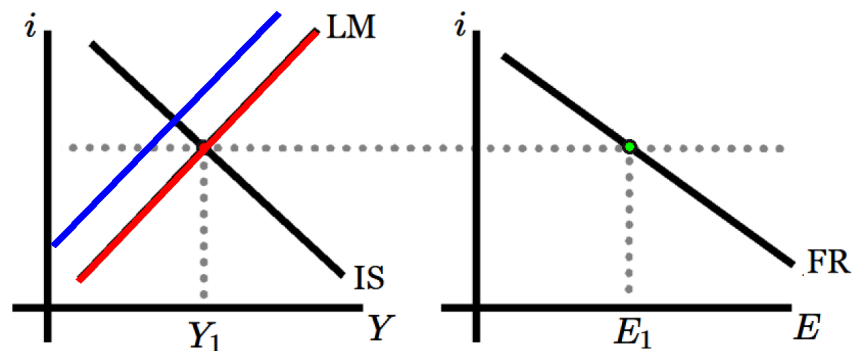
### 4.1 Floating, No Stabilization Policy



### 4.2 Fixed, No Stabilization Policy

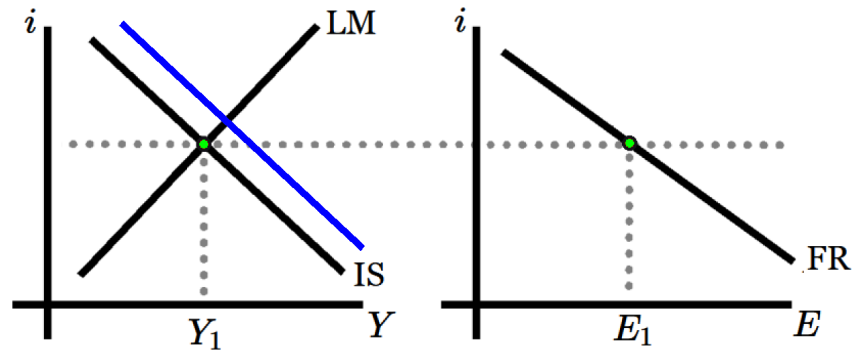


### 4.3 Floating, Monetary Stabilization Policy

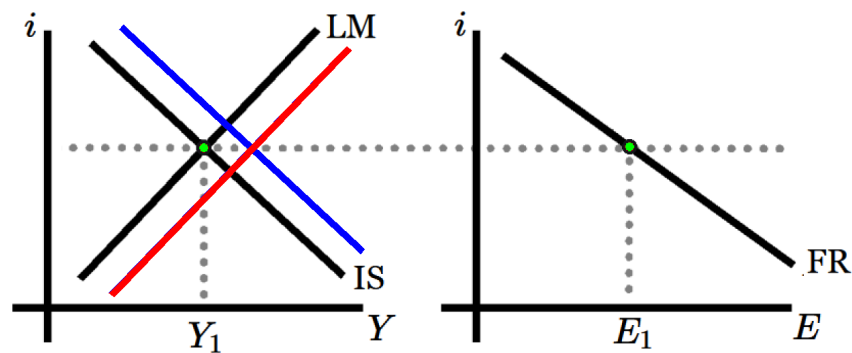


## 5 Foreign Output Increases

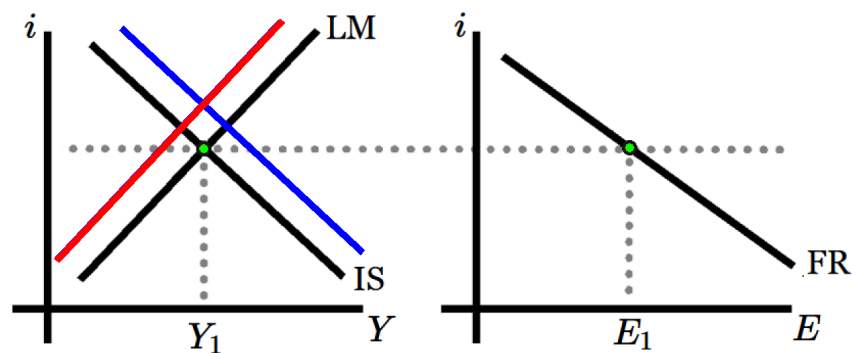
### 5.1 Floating, No Stabilization Policy



### 5.2 Fixed, No Stabilization Policy

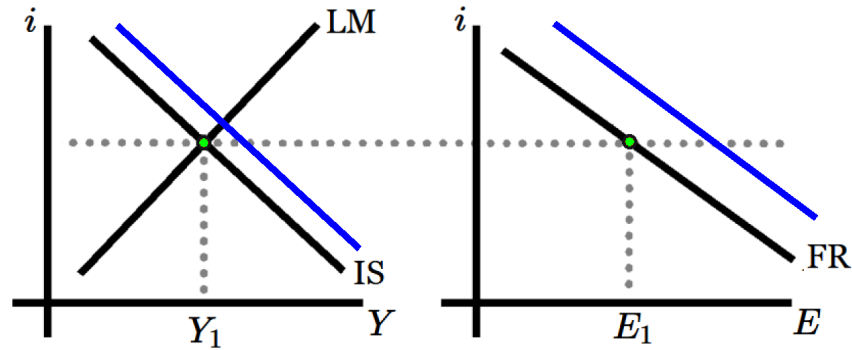


### 5.3 Floating, Monetary Stabilization Policy

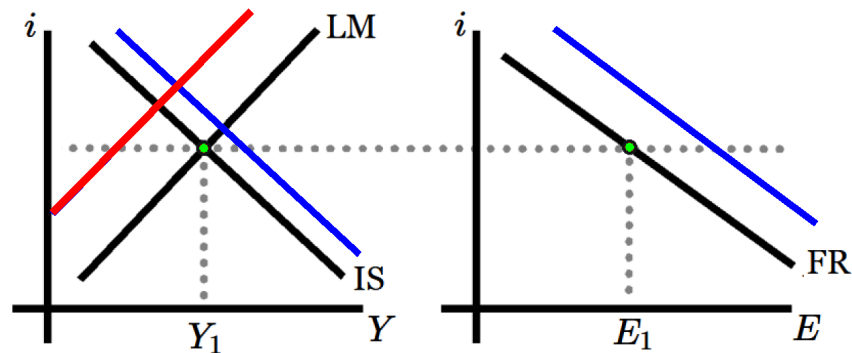


## 6 Expected Depreciation

### 6.1 Floating, No Stabilization Policy



### 6.2 Fixed, No Stabilization Policy



### 6.3 Floating, Monetary Stabilization Policy

