

Balance Sheet Matrix

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	East house- holds	East pro- duc- tion	East in- vest- ment	West house- holds	West pro- duc- tion	West in- vest- ment	Government	Commercial bank	Central bank	Σ
Consumption		$+C^N$		$-C^S$	$+C^S$					0
Investment		$+I^N$	$-I^N$		$+I^S$	$-I^S$				0
Govt. exp.		$+G^N$			$+G^S$		$-G$			0
North Ex- ports to South		$+X^N$			$-$ IM^S					0
South Ex- ports to North		$-$ IM^N			$+X^S$					0
GDP	$+Y^N$	$-$ Y^N		$+Y^S$	$-Y^S$					0
Net trans- fer	$-NT$			$+NT$						0
Interest pay- ments	$+r_{-1} \cdot$ B_{h-1}^N			$+r_{-1} \cdot$ B_{h-1}^S			$-r_{-1} B_{-1}$		$+r_{-1} \cdot$ B_{cb-1}	0
Deposit inter- est	$+r_{-1} \cdot$ D^N			$+r_{-1} \cdot$ D^S				$-r_{-1} \cdot$ D_{-1}^N $-r_{-1} \cdot$ D^S		0

	East house- holds	East pro- duc- tion	East in- vest- ment	West house- holds	West pro- duc- tion	West in- vest- ment	Government bank	Commercial bank	Central bank	Σ
Loan inter- est pay- ment			$-r_{-1} \cdot L^N$			$-r_{-1} \cdot L^S$		$+r_{-1} \cdot L^N$ $+ r_{-1} \cdot L^S$		0
Profits of cen- tral bank							$+r_{-1} \cdot B_{cb-1}$		$-r_{-1} \cdot B_{cb-1}$	0
Taxes	$-T^N$			$-T^S$			$+T$			0
Change in de- posit	$-\Delta D^N$			$-\Delta D^S$				$+\Delta D^N + \Delta D^S$		0
Change in cash	$-\Delta H_h^N$			$-\Delta H_h^S$				$-\Delta H_b$	$+\Delta H$	0
Change in bills	$-\Delta B_h^N$			$-\Delta B_h^S$			$+\Delta B$		$-\Delta B_{cb}$	0
Change in loan			$+\Delta L^N$			$+\Delta L^S$		$-\Delta L^N - \Delta L^S$		0
Σ	0	0	0	0	0	0	0	0	0	0