Problems – Chapter 10: Money, Prices and Output

Reading Assignment: Chapter 10:

Exercises: (pages 494-5), Questions 1, 2, 3.

Honors Option: 4*

Note: In many ways this is the most difficult chapter in the book, but it is also an oversimplification of complex processes. More detail is easily uncovered on the Web. For example, a more complete statement of reserve requirements is posted on the Fed’s Website at http://www.federalreserve.gov/monetarypolicy/reservereq.htm