Download Mishkin Money Banking Study Guide

Money creation is the process by which the money supply of a country, or of an economic or monetary region, is increased. In most modern economies, most of the money supply is in the form of bank deposits. Central banks monitor the amount of money in the economy by measuring the so-called monetary aggregates.During periods of hyperinflation, money does not hold its value long enough to make everyday market purchases; therefore, people hold as little as possible for as short a time as possible.EXAMPLE 1: Duration Gap Analysis The bank manager wants to know what happens when interest rates rise from 10% to 11%. The total asset value is $100 million, and the total liability value is $95 million.Brief Contents PART I Introduction to Economics 1 1 The Scope and Method of Economics 1 2 The Economic Problem: Scarcity and Choice 25 3 Demand, Supply, and Market Equilibrium 47 4 Demand and Supply Applications 79 PART II Concepts and Problems in Macroeconomics 97 5 Introduction to Macroeconomics 97 6 Measuring National Output and National Income 111 7 Unemployment, Inflation, and Long-Run