

Answer Key for the Homework due on April 13th – Selected Questions

pp. 436-437

11. Yes, disturbing the creation of money by commercial banks.

13. a. \$3,000; b. \$3,000

14. b. \$10 million; c. \$100 million ($=\$10/0.1$).

15. Inflation if V is fixed: 3%; inflation if V grows 1%: 4%.