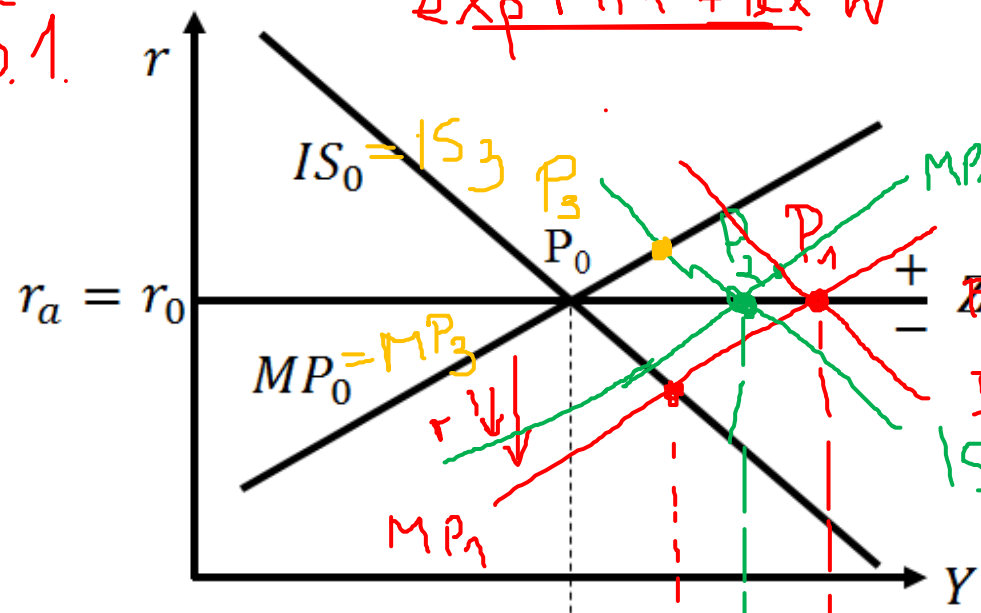
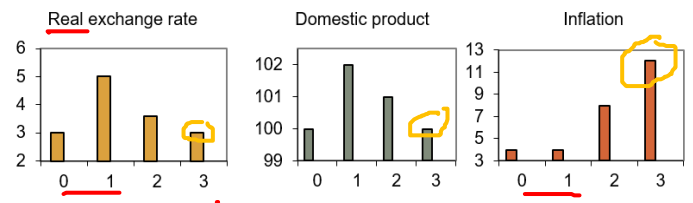


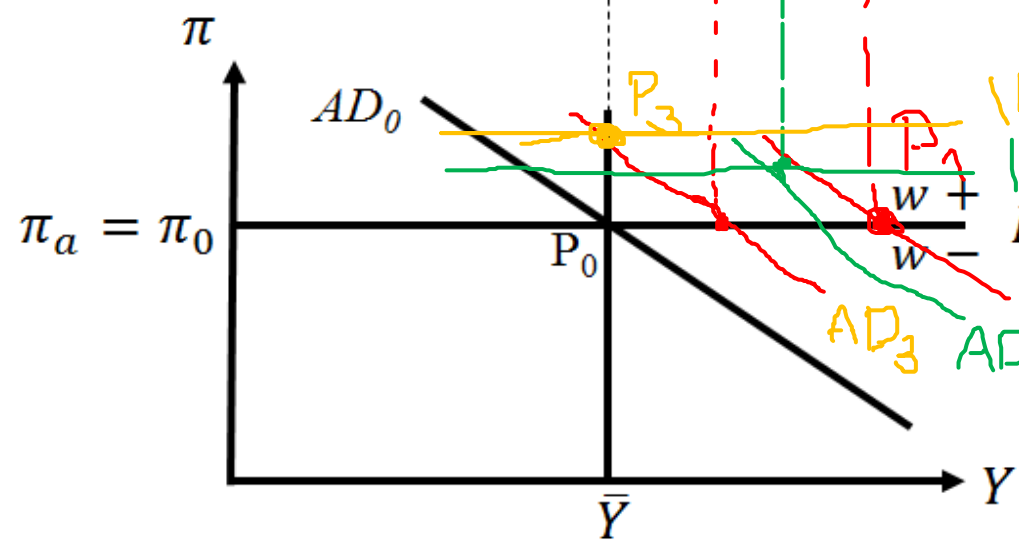
5.1 exp MP + flex w



① $r \downarrow \Rightarrow MP \downarrow AD \uparrow$
 $r < r_a \Rightarrow w \uparrow \Rightarrow w \uparrow$
IS \uparrow AD \uparrow

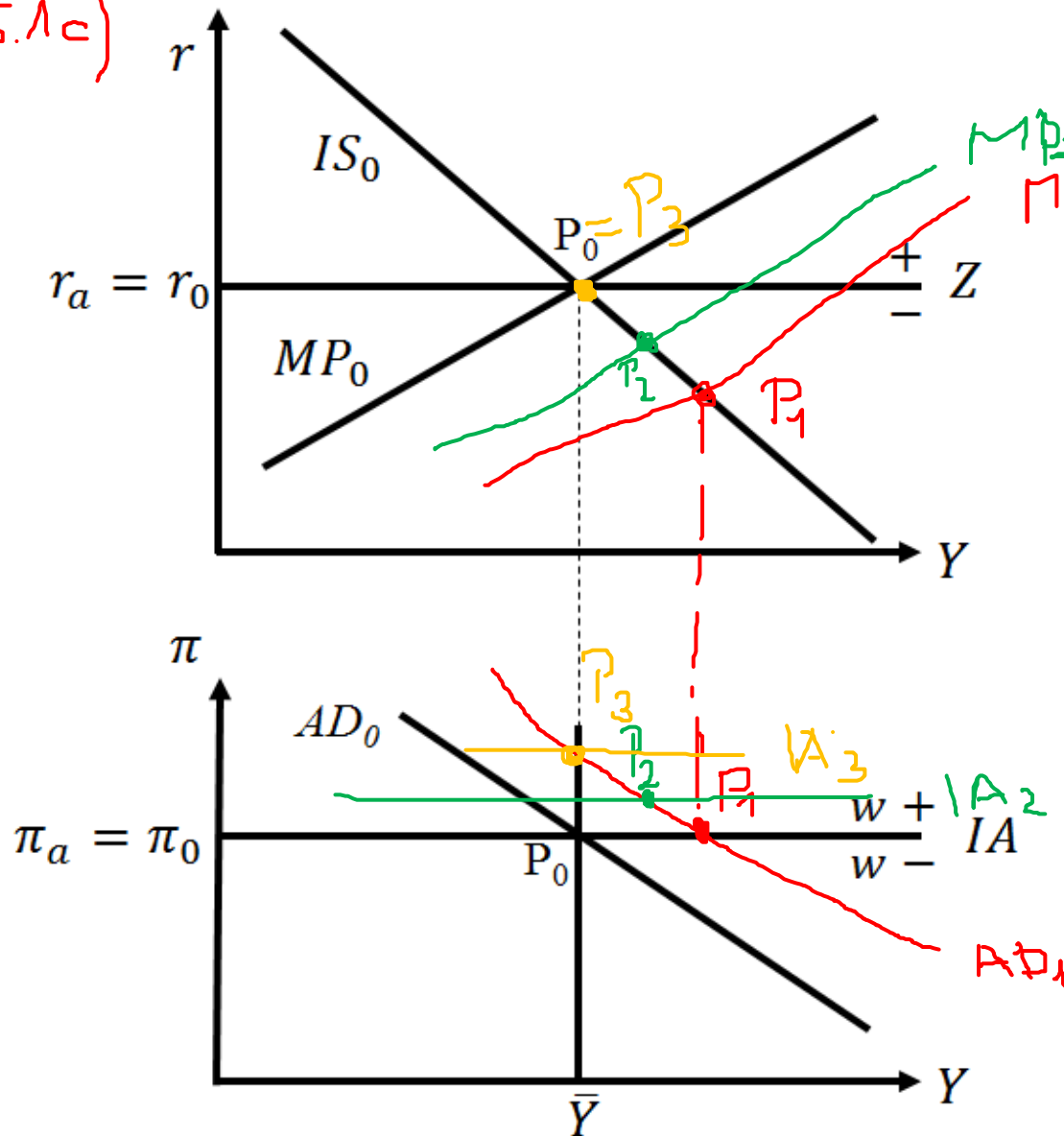
② $Y > \bar{Y} \Rightarrow \pi \uparrow$ IA \uparrow
 MP \uparrow

$r > r_a \Rightarrow w \downarrow \Rightarrow w \downarrow$
IS \downarrow AD \downarrow



③ $Y > \bar{Y} \Rightarrow \pi \uparrow$ IA \uparrow
 MP \uparrow
 $r > r_a \Rightarrow w \downarrow \Rightarrow w \downarrow$
IS \downarrow AD \downarrow

■ 5.1c)

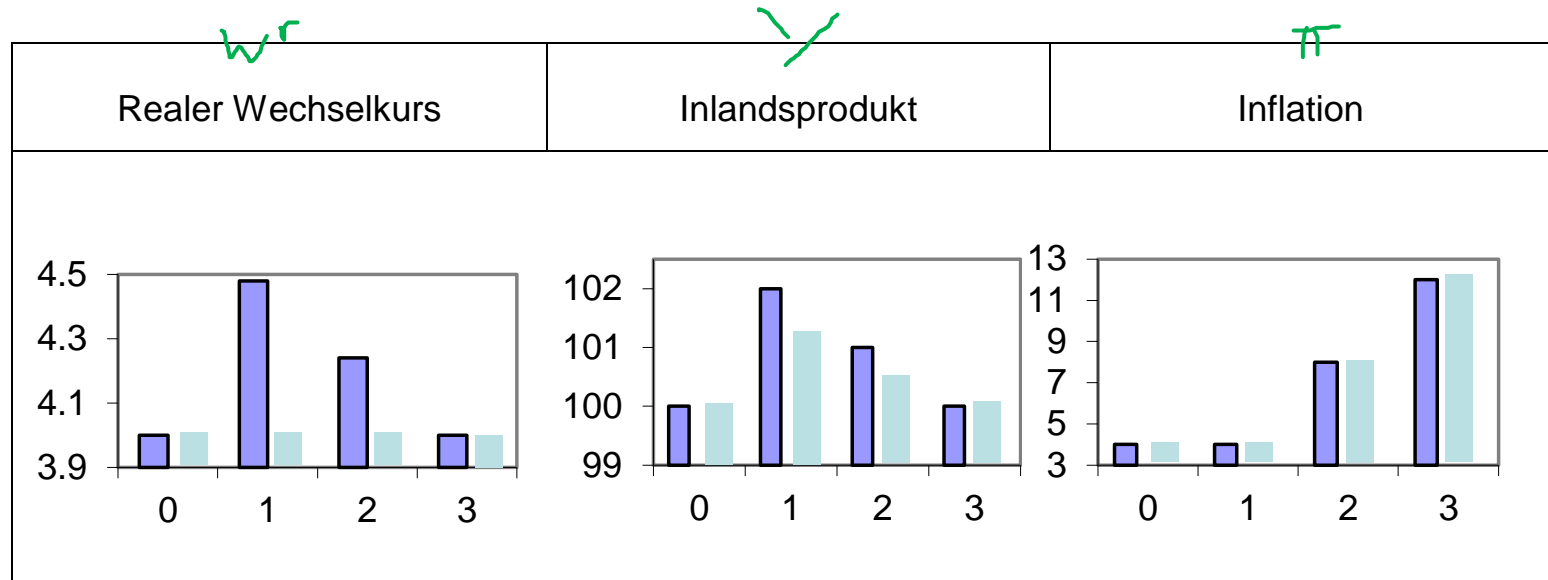


① $r \downarrow \Rightarrow I \uparrow$
 $MP \downarrow AD \uparrow$
 $r < r_a \Rightarrow \text{dem } \$ \uparrow$
 $R \downarrow F \uparrow$
 fix w , fix w^r

② $Y > \bar{Y} \Rightarrow \pi \uparrow$
 $IA \uparrow MP \uparrow$
 $CB: \pi \uparrow \Rightarrow r \uparrow \Rightarrow I \downarrow$
 $r < r_a \Rightarrow \text{dem } \$ \uparrow$
 $R \downarrow F \uparrow$

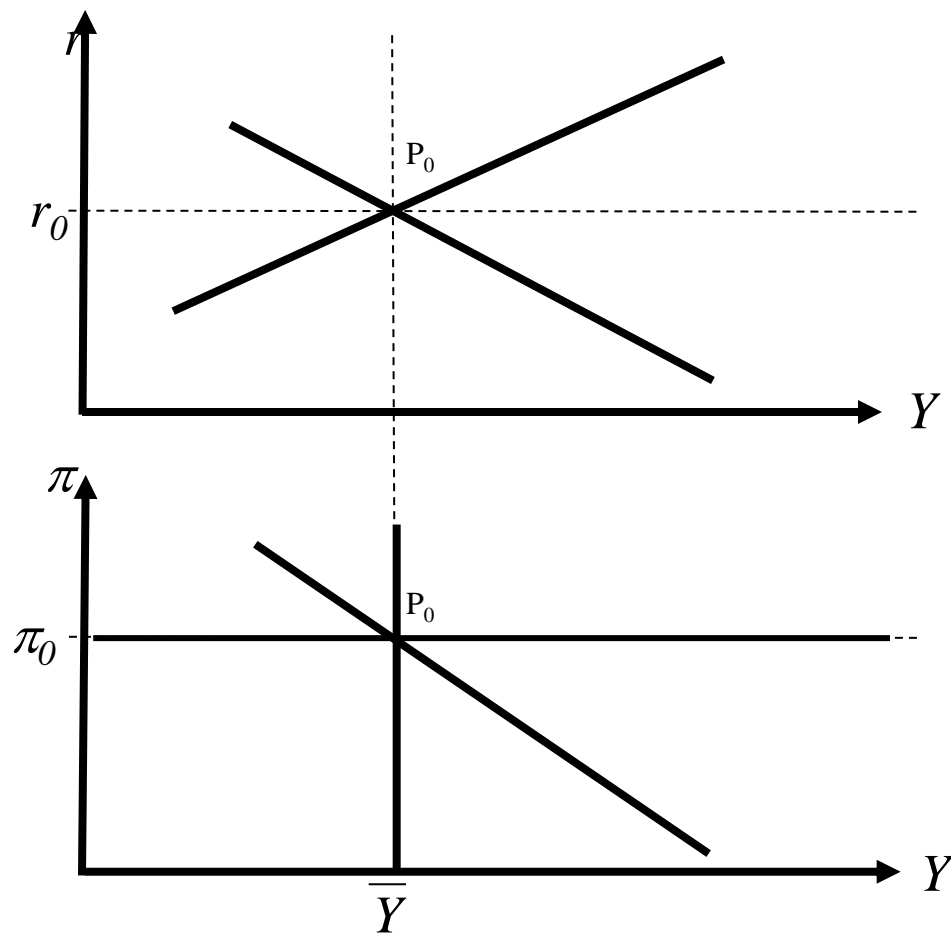
③ same as 2
 crawling peg!
 fixing w^r not w !

■ 5.1c)

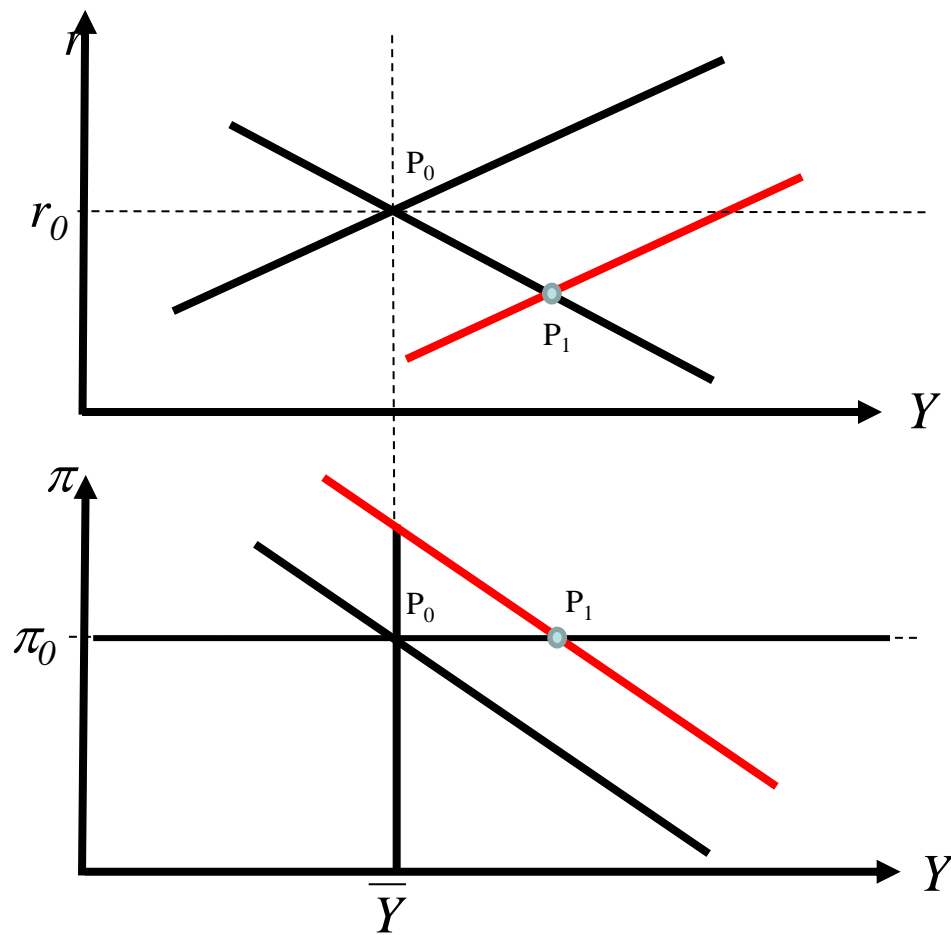


■ Fix exchange rate
■ Flex exchange rate

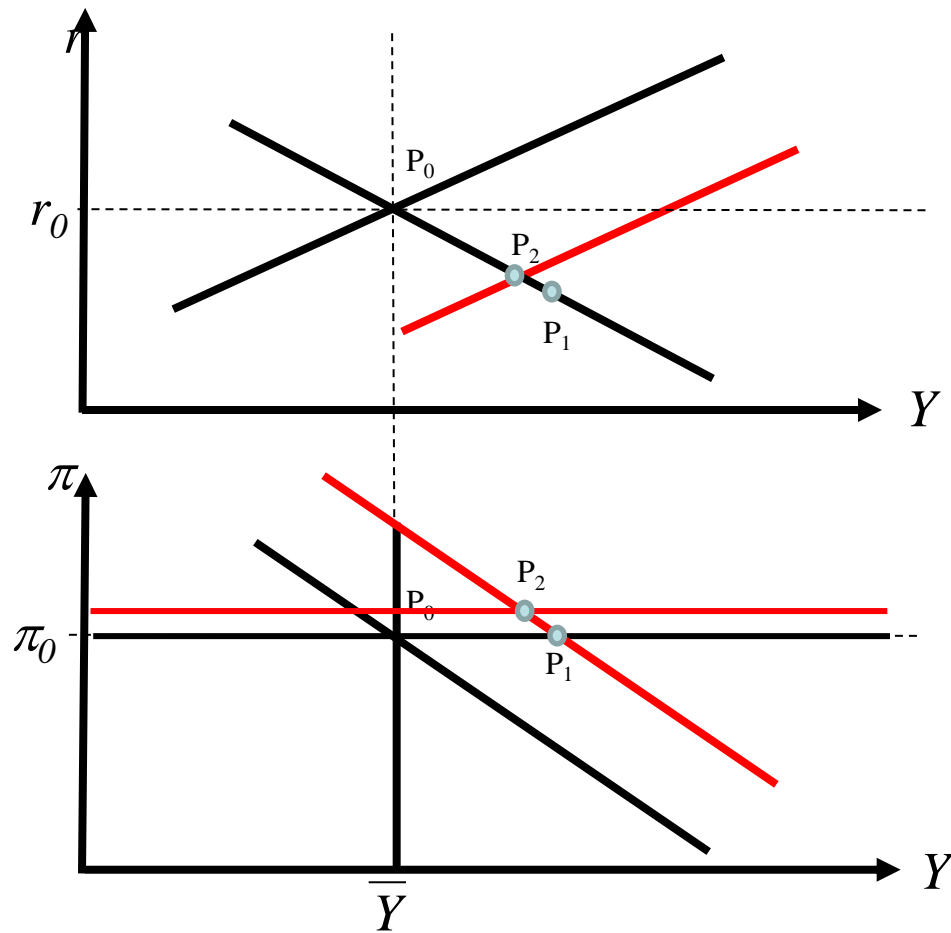
■ 5.1c) Period 0



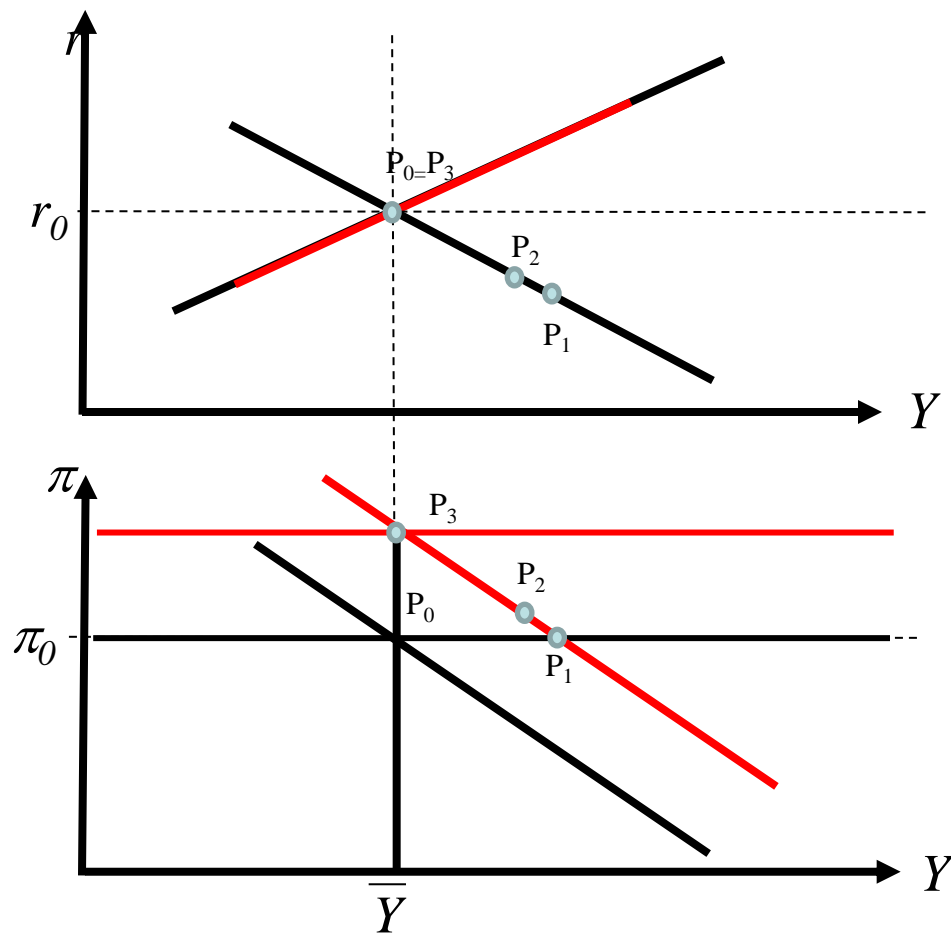
■ 5.1c) Period 1



■ 5.1c) Period 2

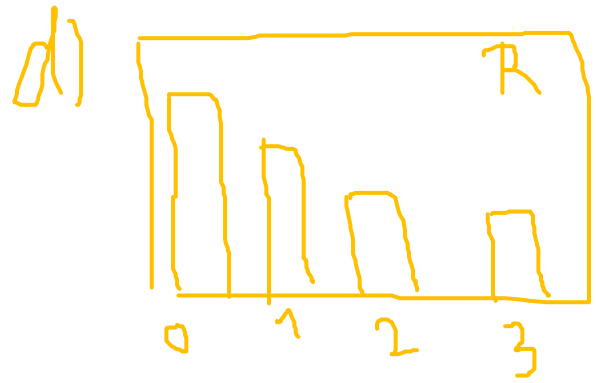
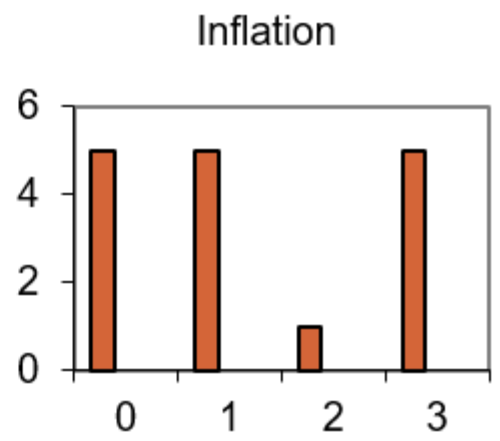
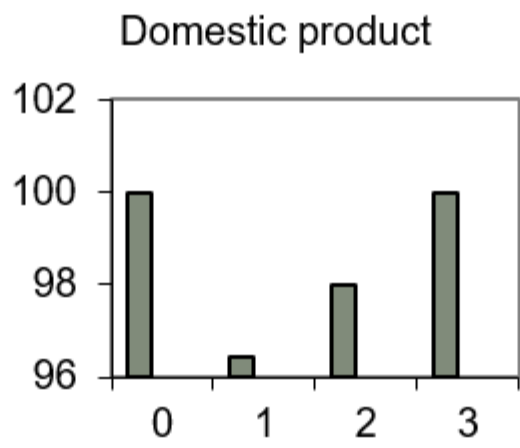
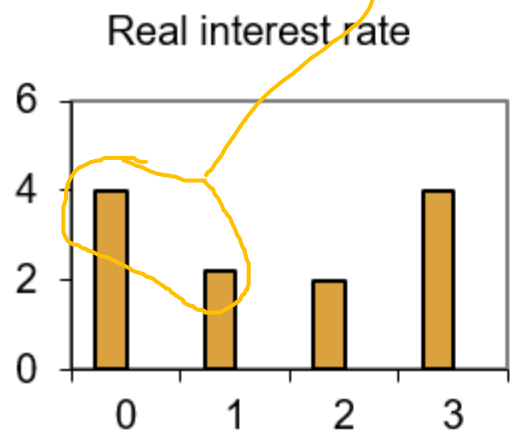


■ 5.1c) Period 3

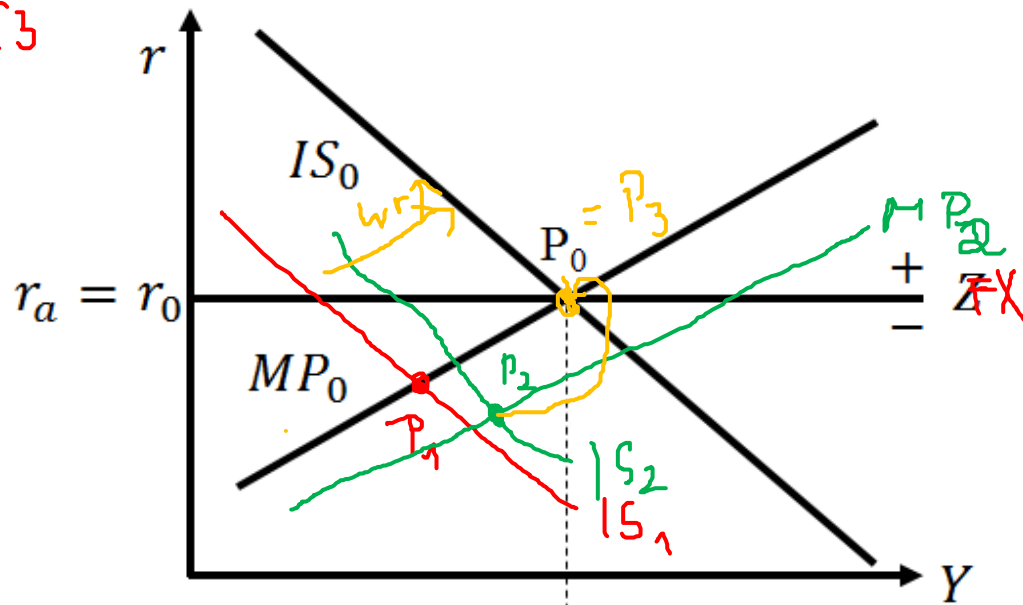


■ Problem 5.3 *restr. FP + $\dot{e} \rightarrow w$*

c) neutr.!

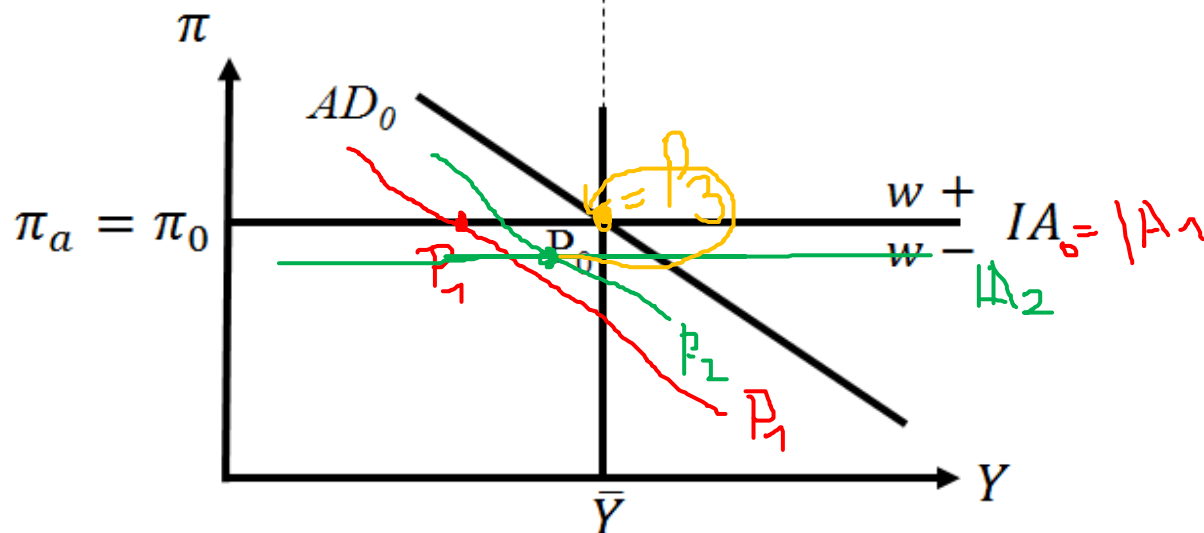


■ 5.3

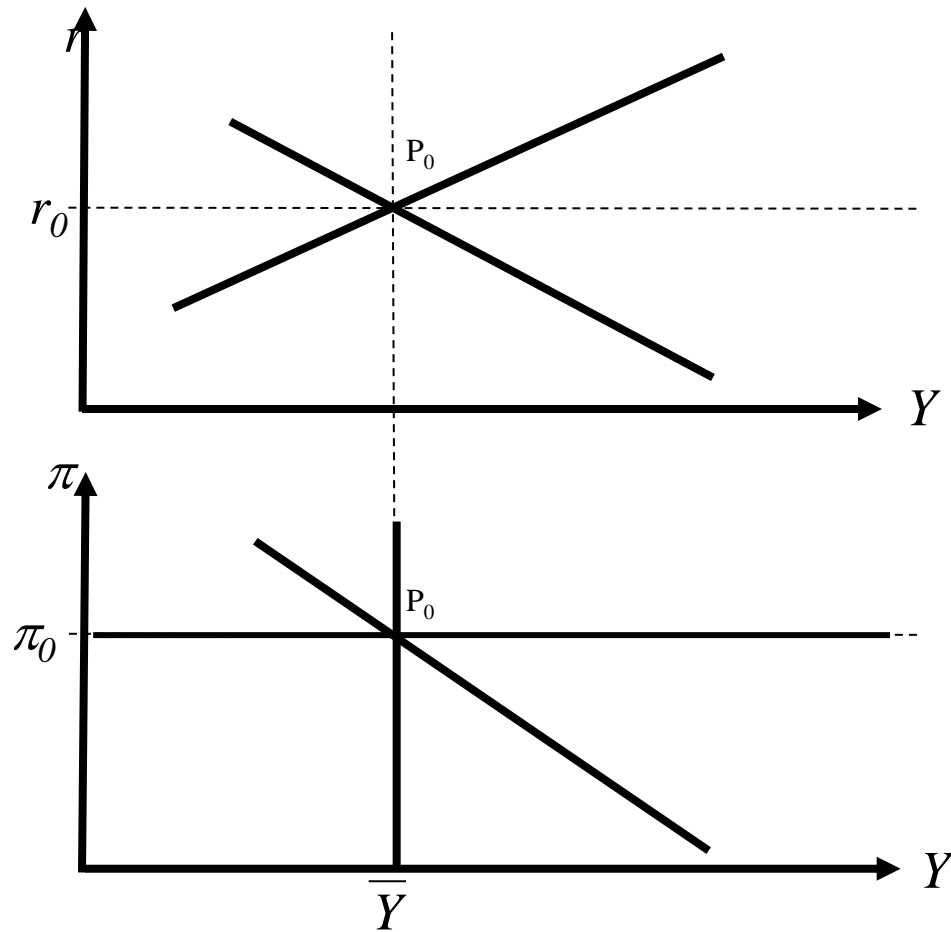


① $IS \downarrow$
 CB: $y \downarrow \Rightarrow r \downarrow \Rightarrow I \uparrow$
 $r < r_a \Rightarrow \text{den } \$ \uparrow$
 $R \downarrow F \uparrow$

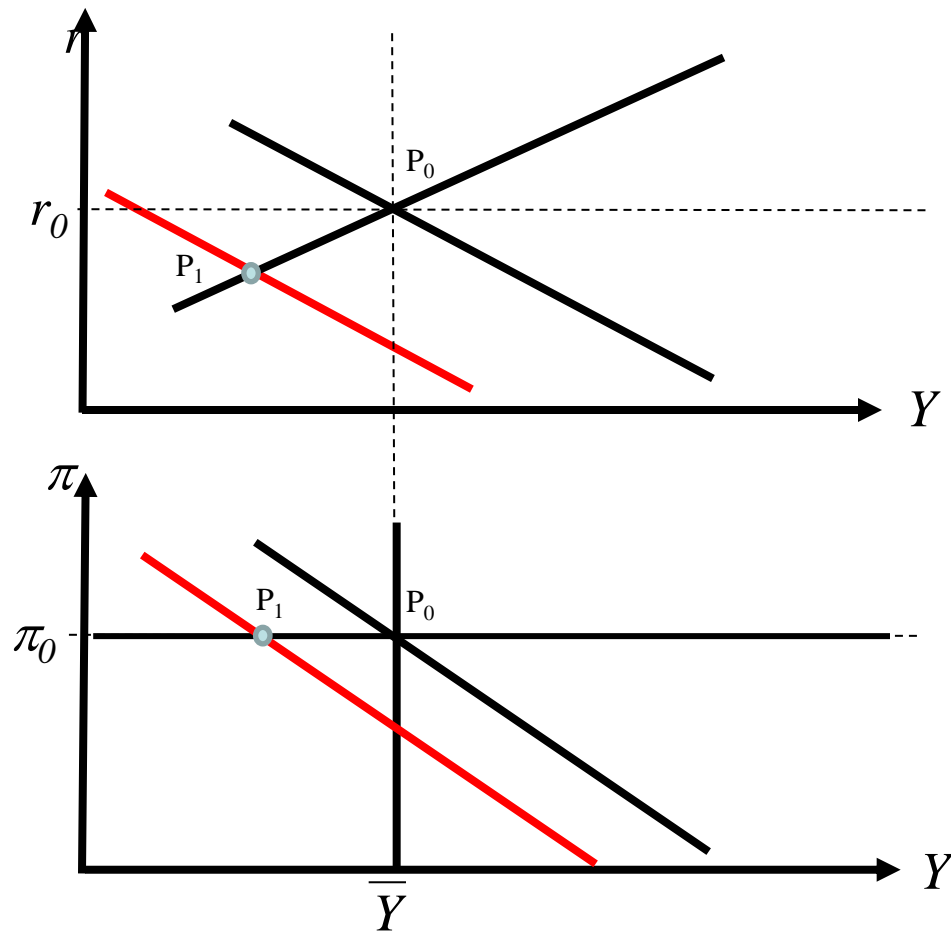
② $y < \bar{y} \Rightarrow \pi \downarrow$
 $IA \downarrow$
 $MP \downarrow$
 CB: $\pi \downarrow \Rightarrow r \downarrow \Rightarrow I \uparrow$
 $\pi < \pi_a : W \uparrow$
 $IS \uparrow AD \uparrow$



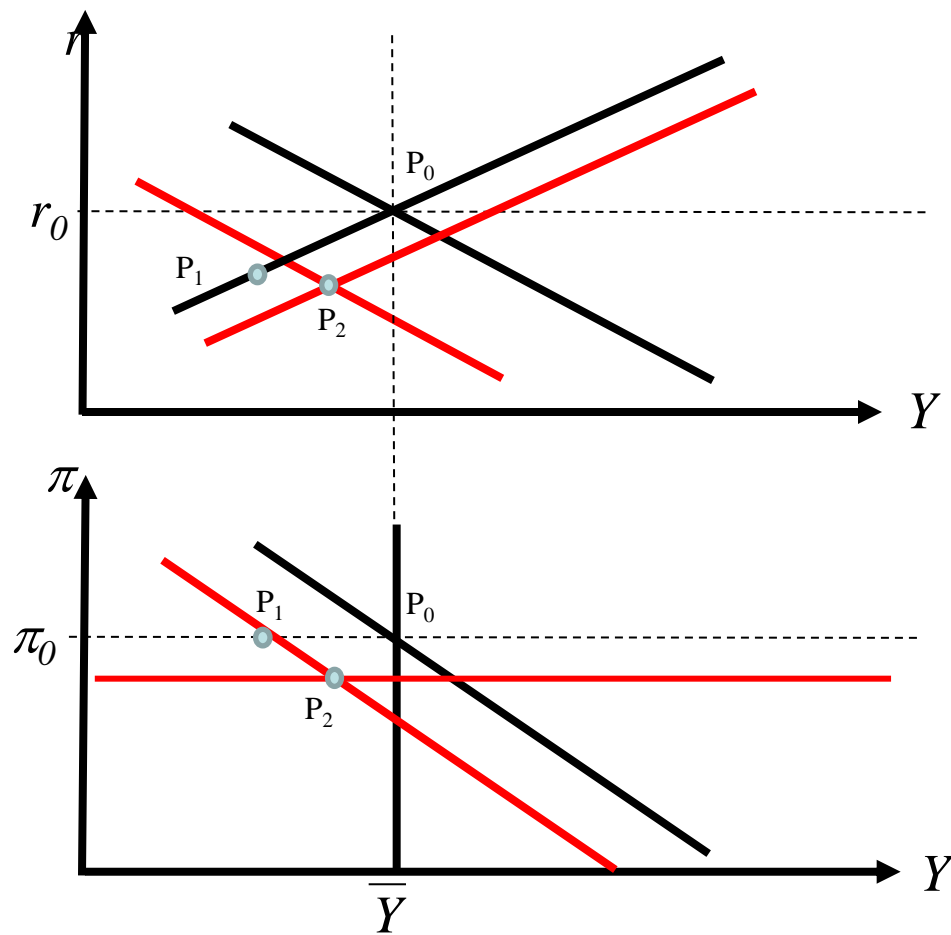
■ 5.3) Period 0



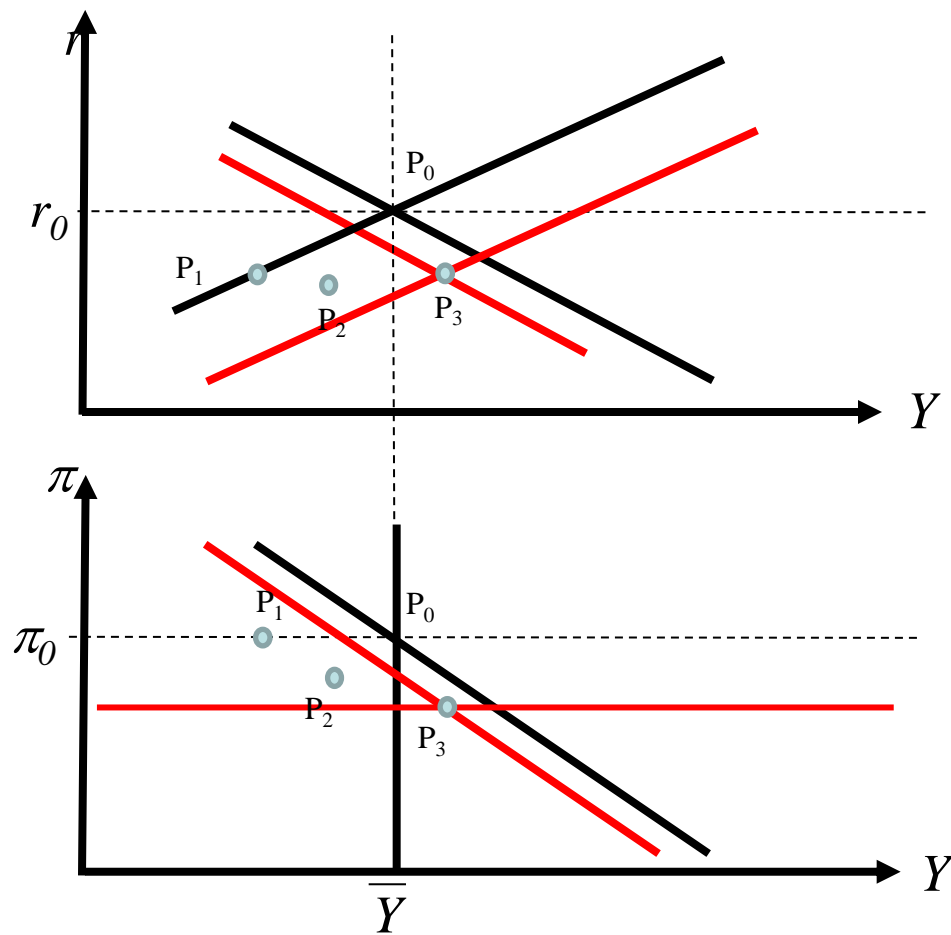
■ 5.3) Period 1



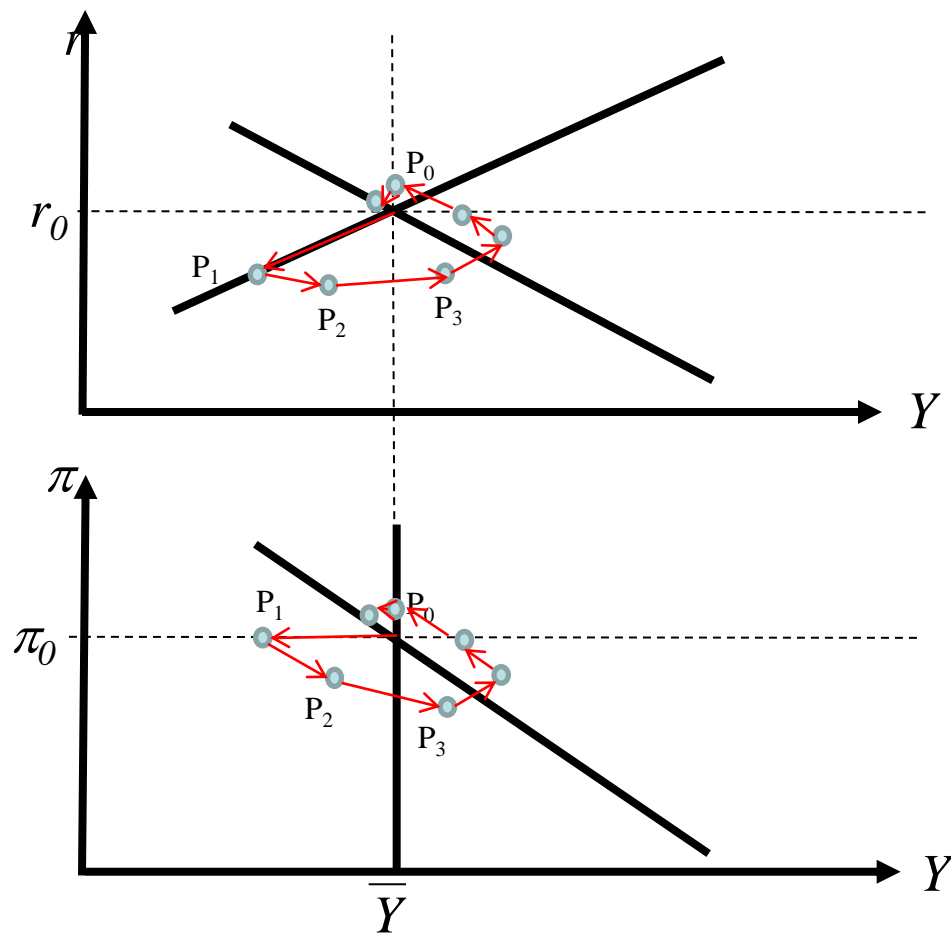
■ 5.3) Period 2



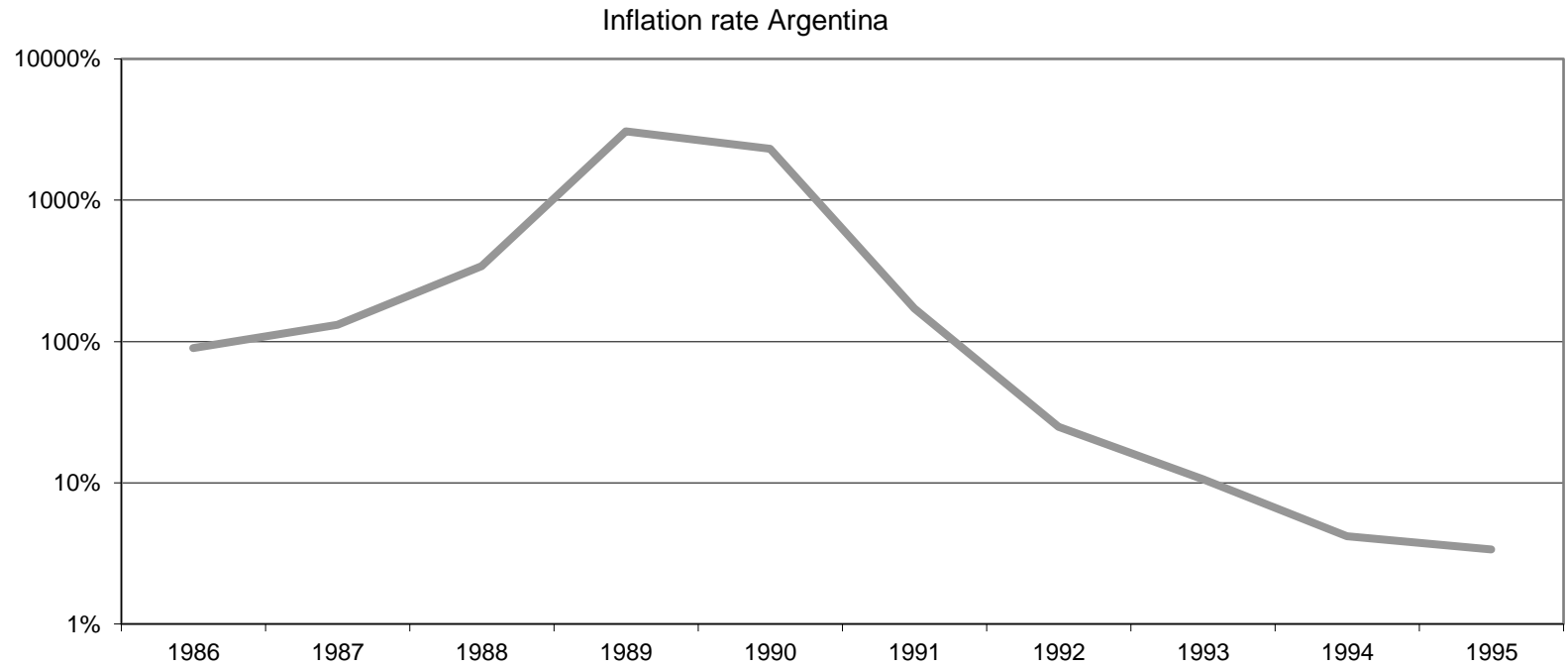
■ 5.3) Period 3



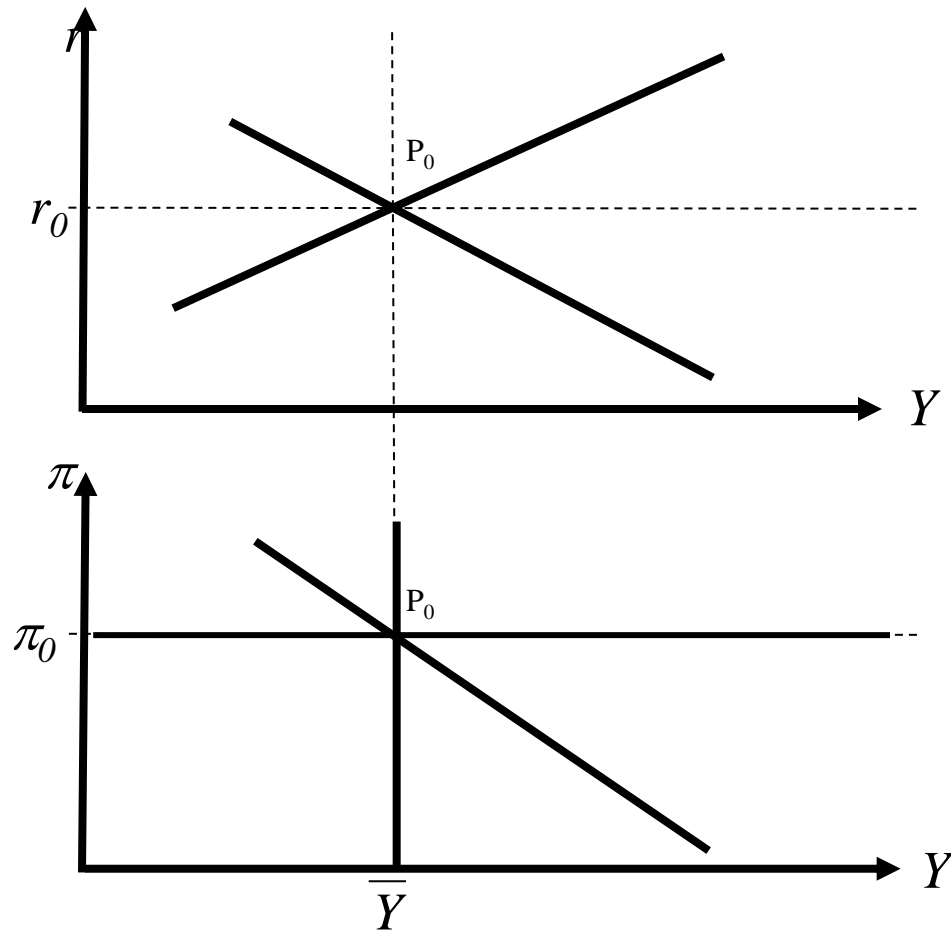
■ 5.3) Period 4-7



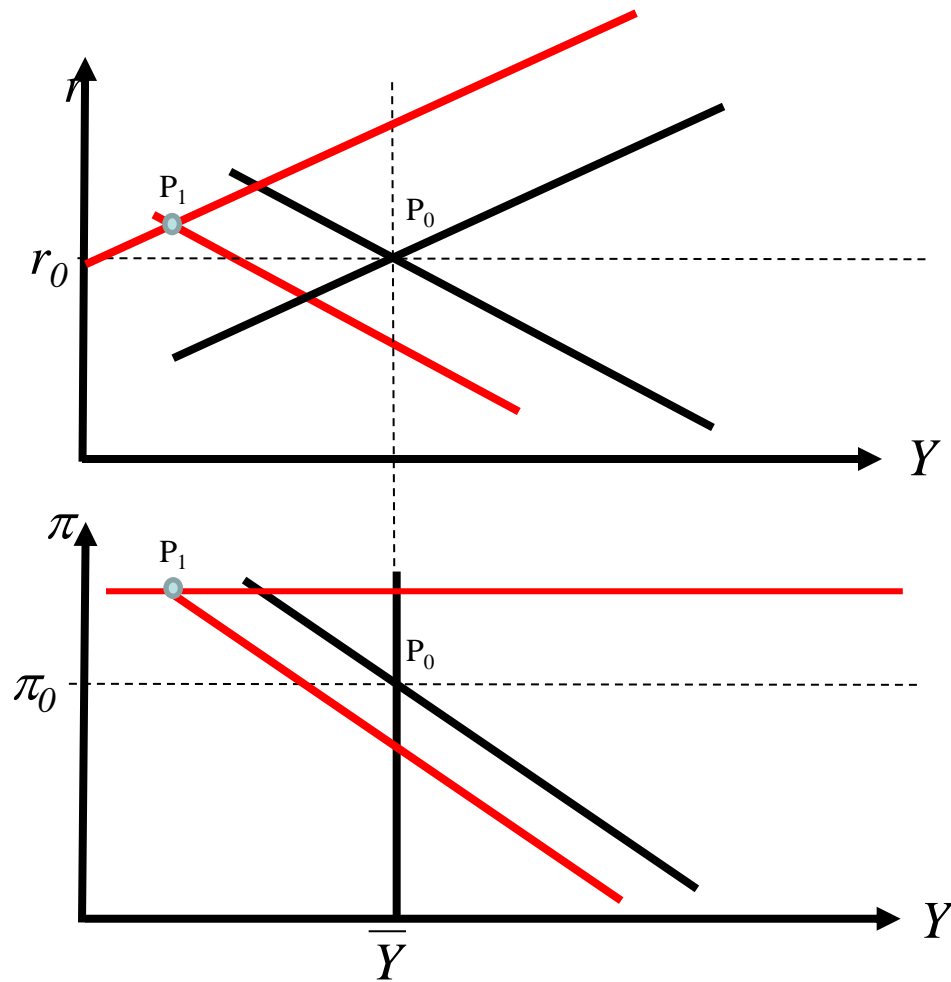
■ Problem 5.2



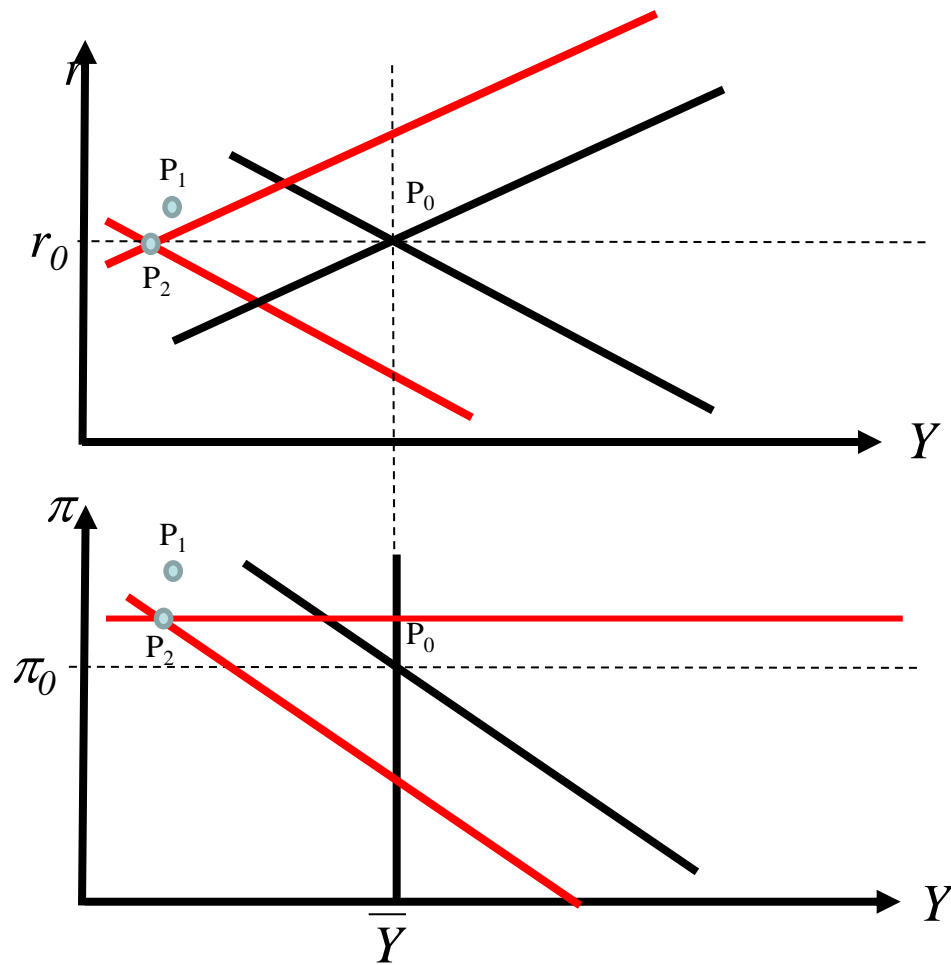
■ 5.2) Period 0



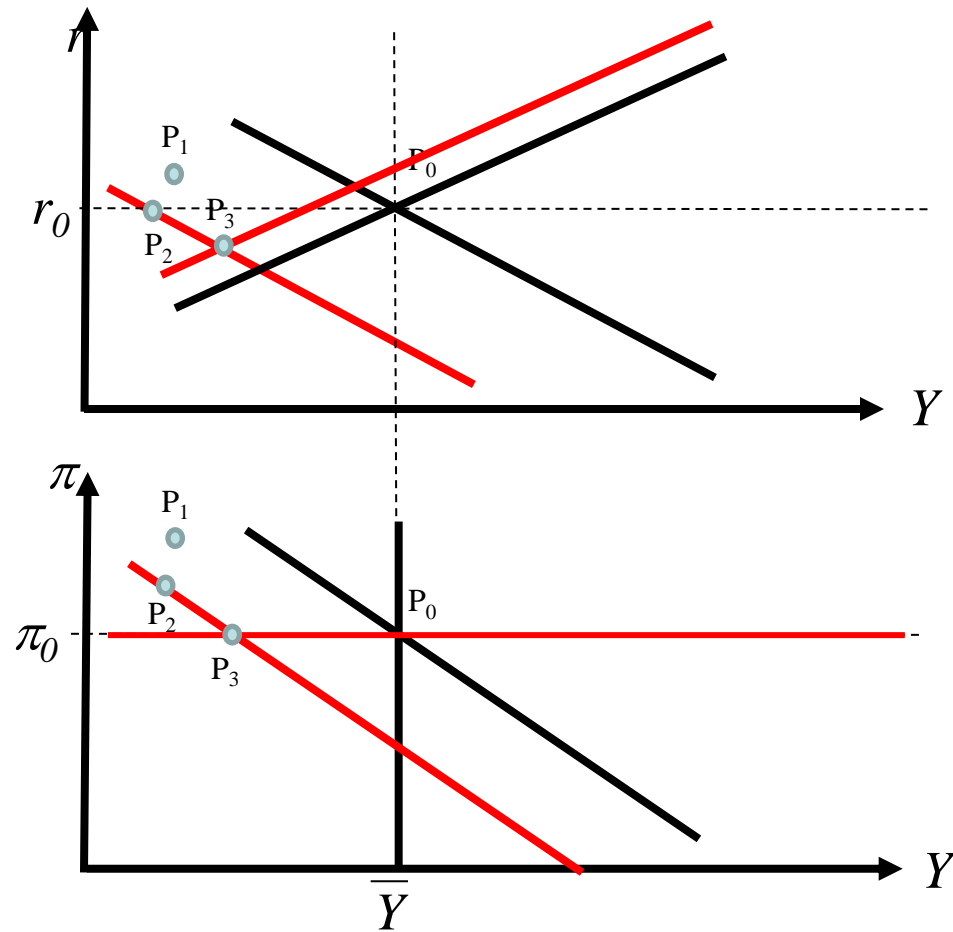
■ 5.2) Period 1



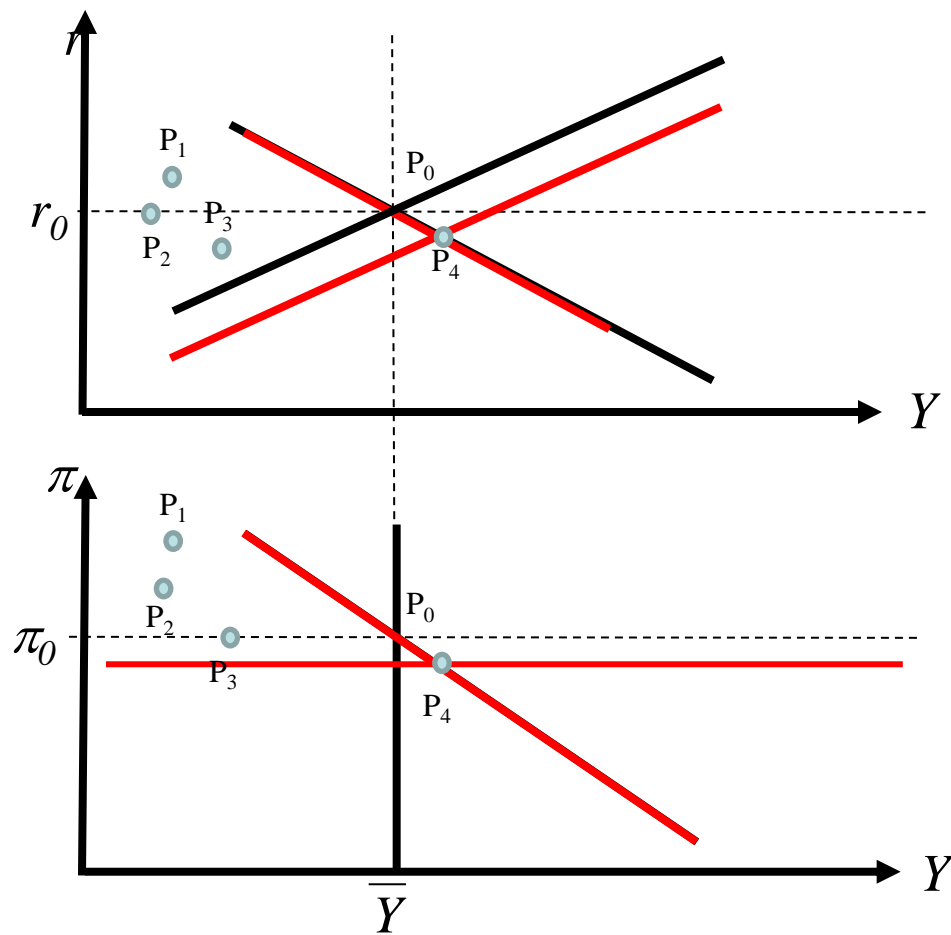
■ 5.2) Period 2



■ 5.2) Period 3



■ 5.2) Period 4



■ 5.2) Period 5

