Ca	lculating with our
Mon	ey Demand Function
	Part 2
	Chicadathan in Naminal Herrar
KENT STATE	Lectures in Macroeconomics- Charles W. Upton

			The	e Ba	asic	Tał	olea	u		
			Ca	lculat	ions in	Real t	erms			
I	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
	Non- monetary Assets	Carry over Plus	Money Balances Carried	Wage Income	Present Value of Future	Wealth	С	Money Hold- ings	Assets, End of Period	Price Level
1	Carried Over	Real Return	Over		Income \$480	\$480	\$96	\$57.6	\$(153.6)	1.000
2	\$(153.6)	\$(230.4)	\$38.4	\$300	\$720	\$528	\$144	\$86.4	\$(122.4)	1.500
3 4	\$(122.4) \$158.4	\$(183.6) \$237.6	\$57.6 \$86.4	\$630	\$630	\$504 \$324	\$216 \$324	\$129.6	\$158.4	2.250 3.375
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				The	Ba	sic	Tab	olea	u		
I				Ca	lculat	ions in	Real t	erms			
ĪĒ		(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
ĺ		Non- monetary Assets	Carry over Plus Real	Money Balances Carried	Wage Income	Present Value of Future	Wealth	С	Money Hold- ings	Assets, End of Period	Price Level
	1	Over	Return	e20.4	\$200	\$480	\$480	\$96	\$57.6	\$(153.6) \$(122.4)	1.000
	2 3 4	\$(153.6) \$(122.4) \$158.4	\$(230.4) \$(183.6) \$237.6	\$36.4 \$57.6 \$86.4	\$630 \$630	\$630	\$528 \$504 \$324	\$216 \$324	\$129.6	\$(122.4) \$158.4	2.250 3.375
		KENT	TATE		Calcu Dem	lating with and Func	n our Mon tion-Part	iey 2			

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		Т	he S	Surj	orise	e Co	oluı	nn		
			Ca	lculat	ions in	Real t	erms			
	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
	Non- monetary Assets Carried Over	Carry over Plus Real Return	Money Balances Carried Over	Wage Income	Present Value of Future Income	Wealth	С	Money Hold- ings	Assets, End of Period	Price Level
1					\$480	\$480	\$96	\$57.6	\$(153.6)	1.000
2 3 4	\$(153.6) \$(122.4) \$158.4	\$(230.4) \$(183.6) \$237.6	\$38.4 \$57.6 \$86.4	\$300 \$630	\$720 \$630	\$528 \$504 \$324	\$144 \$216 \$324	\$86.4 \$129.6	\$(122.4) \$158.4	1.500 2.250 3.375
	KENTS	TATE		Calcu Dem	lating with and Func	n our Mon tion-Part :	ey 2			

			Fa	mil	iar l	Frie	nds	5			
			Ca	lculat	ions in	Real t	erms				
Ī	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)		
ľ	Non- monetary Assets Carried Over	Carry over Plus Real Return	Money Balances Carried Over	Wage Income	Present Value of Future Income	Wealth	c	Money Hold- ings	Assets, End of Period	Price Level	
	1 2 \$(153.6) 3 \$(122.4) 4 \$158.4	\$(230.4) \$(183.6) \$237.6	\$38.4 \$57.6 \$86.4	\$300 \$630	\$480 \$720 \$630	\$480 \$528 \$504 \$324	\$96 \$144 \$216 \$324	\$57.6 \$86.4 \$129.6	\$(153.6) \$(122.4) \$158.4	1.000 1.500 2.250 3.375	
	4 \$158.4 \$237.6 \$86.4 \$324 \$324 3.373 KENTSTATE Calculating with our Money Demand Function-Part 2 Calculating with our Money Calculating with our Money										

			Ca	lculat	ions in	Real t	erms			
٦	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
	Non-	Carry	Money	Wage	Present	Wealth	С	Money	Assets,	Pric
	monetary	over	Balances	Incomo	Value of			Hold-	End of Doriod	Leve
	Carried	Real	Over	income	Income			ings	rei100	
	Over	Return	0.00							
1					\$480	\$480	\$96	\$57.6	\$(153.6)	1.00
2	\$(153.6)	\$(230.4)	\$38.4	\$300	\$720	\$528	\$144	\$86.4	\$(122.4)	1.50
3	\$(122.4)	\$(183.6)	\$57.6	\$630	\$630	\$504	\$216	\$129.6	\$158.4	2.25
4	\$158.4	\$237.6	\$86.4			\$324	\$324			3.37

				S	tarti	ng				
			Ca	lculat	ions in	Real t	erms			
	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
	Non- monetary Assets Carried Over	Carry over Plus Real Return	Money Balances Carried Over	Wage Income	Present Value of Future Income	Wealth	С	Money Hold- ings	Assets, End of Period	Price Level
1					\$480	\$480	\$96	\$57.6	\$(153.6)	1.000
2	\$(153.6)	\$(230.4)	\$38.4	\$300	\$720	\$528	\$144	\$86.4	\$(122.4)	1.500
4	\$(122.4) \$158.4	\$(183.6) \$237.6	\$57.6	\$630	\$630	\$504 \$324	\$216 \$324	\$129.6	\$158.4	2.250
	KENT	STATE		Calcu Dem	lating with and Func	n our Mon tion-Part	ey 2			

	$c_1 = \frac{1}{4+1}$ $m_1 = \xi \cdot \frac{1}{2}$	$\frac{1}{1+3\xi}z_1 = \frac{1}{r_N}c$	$=\frac{1}{4+3(1-\frac{1}{3})}$	$\frac{1}{\frac{1}{3}}$ 48 $\frac{1+1}{1.2}$	$30 = \frac{1}{5}$ $\frac{25}{5}96 =$	480 = = 57.6	96	(8) Money Hold- ings	(9) Assets, End of Period	Price Level
1 2 3 4	Over \$(153.6) \$(122.4) \$158.4	Return \$(230.4) \$(183.6) \$237.6	\$38.4 \$57.6 \$86.4	\$300 \$630	\$480 \$720 \$630	\$480 \$528 \$504 \$324	<mark>\$96</mark> \$144 \$216 \$324	3 \$57.6 \$86.4 \$129.6	\$(153.6) \$(122.4) \$158.4	1.000 1.500 2.250 3.375
	KENTS	TATE		Calcu Dem	lating with and Funct	our Mon ion-Part 2	ey 2			









	A	ssets	, Er	nd o	f Pe	erio	od 2				
	Assets F Plus: W Less: Co Less: In [\$86.4-\$ Equals:	lus Rea age Inco onsumpt crease ir 38.4] Assets, o	l Retu ome ion n Mon end of	rn ey Ho Perio	ldings d	5	\$23 \$30 \$14 \$4 \$12	0.4 0.0 4.0 8.0 2.4	Price Level		
1 2 \$(1 3 \$(1 4 \$	Keturn 153.6) \$(230.4) 122.4) \$(183.6) 158.4 \$237.1) \$38.4) \$57.6 5 \$86.4	\$300 \$630	\$480 \$720 \$630	\$480 \$528 \$504 \$324	\$96 \$144 \$216 \$324	\$57.6 \$86.4 \$129.6	\$(153.6) <mark>\$(122.4)</mark> \$158.4	1.000 1.500 2.250 3.375		
ĶĘ	3 \$(122.4) \$(183.6) \$50.6) \$50.30 \$50.40 \$20.41 \$21.61 \$129.6 \$158. \$158.41 \$237.6] \$86.41 \$32.41 \$32.41 \$32.41 \$32.41 \$158.41 KENTSTATE Calculating with our Money Demand Function-Part 2 \$158.41 \$158.41 \$159.61 \$158.61										

			Ca	lculat	ions in	Real to	erms			
	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)	
	Non-	Carry	Money	Wage	Present	Wealth	С	Money	Assets,	Price
	Assets	Plus	Carried	Income	Value of Future			ings	End of Period	Level
	Carried	Real	Over		Income					
	Over	Return								
1	¢(450.0)	¢(000 4)	¢00.4	¢200	\$480	\$480	\$96	\$57.6	\$(153.6)	1.000
2	\$(103.0)	\$(230.4)	\$38.4	\$300	\$720	\$504	\$216	\$120.6	\$158.4	2 250
4	\$158.4	\$237.6	\$86.4	-	φ000	\$324	\$324	ψ120.0	φ100. 4	3.375

	Wealth, Period 3												
			Ca	lculat	ions in	Real t	erms						
	(1)	(2)	(3)	(4)	(5)	(6)	('7)	(8)	(9)				
	Non- monetary Assets Carried Over	Carry over Plus Real Return	Money Balances Carried Over	Wage Income	Present Value of Future Income	Wealth	C	Money Hold- ings	Assets, End of Period	Price Level			
1					\$480	\$480	\$96	\$57.6	\$(153.6)	1.000			
2	\$(153.6) \$(122.4)	\$(230.4) \$(183.6)	\$38.4 \$57.6	\$300 \$630	\$720 \$630	\$528 \$504	\$144 \$216	\$86.4 \$129.6	\$(122.4) \$158.4	1.500			
4	\$158.4	\$237.6	\$86.4			\$324	\$324			3.375			
	KENTS	TATE		Calcu	lating with	n our Mon	iey						

$c_3 = -\frac{1}{2}$ $m_3 = 2$ Carried Over \$(153.6) \$(122.4) \$158.4	$\frac{1}{r_{N}} z_{-}$ $= \frac{1 + r_{N}}{r_{N}}$ Real Return \$(230.4) \$(183.6) \$237.6}	$a_{3} = \frac{1}{2 + 2}$	$\frac{1}{-1(\frac{1}{3})}$ $(\frac{1}{3})$ $^{\$300}_{\$630}$	-504 =) 1+1.2 1.25 income \$480 \$720 \$630	$= \frac{3}{7}5$ $= \frac{3}{7}5$ $= 210$ $\frac{5}{528}$ $\frac{5}{504}$ $\frac{504}{5324}$	04 = 6 = 12	216 29.6 - 	(9) Assets, End of Period \$(153.6) \$(122.4) \$158.4	Price Level 1.500 2.250 3.375
KENT	TATE		Calcu Dem	lating with and Functi	our Mon on-Part 2	ey 2			







