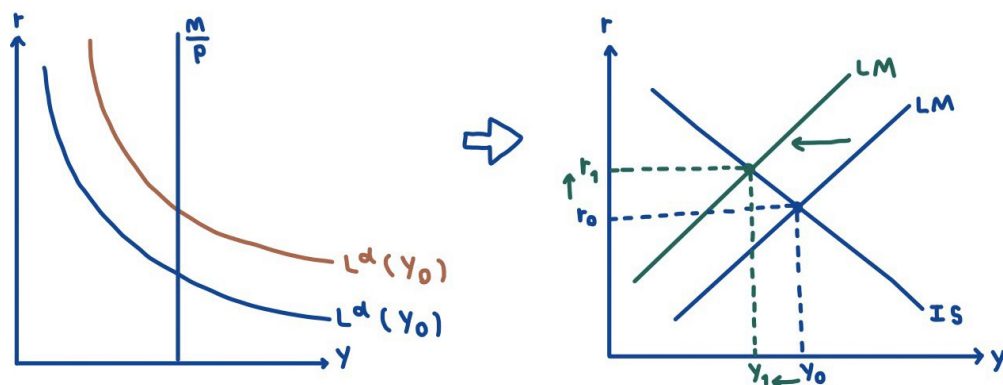


2. After a wave of credit card fraud, consumers using cash more frequently in transaction.



(a.) As a wave of credit card fraud is occurred. Consumers tend to hold more money on their own as much as possible, it means that there is an increasing in money demand ( $L^d \uparrow$ ) which leads to the shifting in the LM curve (shift left) and increasing in interest rate ( $r$ ). As the interest rate increase, people will consume and also invest less ( $C \downarrow$  and  $I \downarrow$ ). The decreasing in consuming and investing caused the decreasing in the national income ( $Y$ ).

(b.) People tend to hire less due to the lower national income. The lower national income is the major factor leading the increasing in unemployment rate.

Group members

1. 6104640039 Chinnakrit Chaichanachompoo
2. 6104640674 Pavita Kriathkungwalkai
3. 6104641060 Suchaya Chuldilok
4. 6104641466 Wittawat Suwattananon
5. 6104641110 Tanaphat Chanweerawong