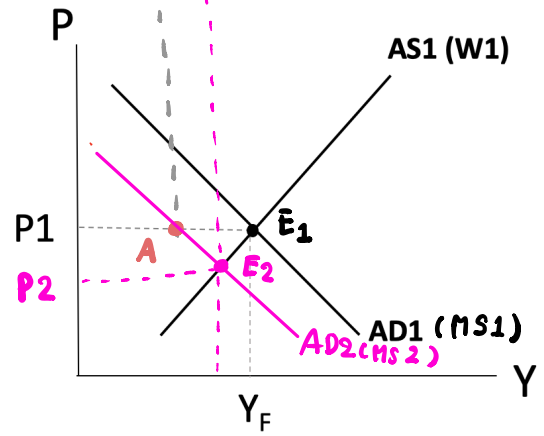
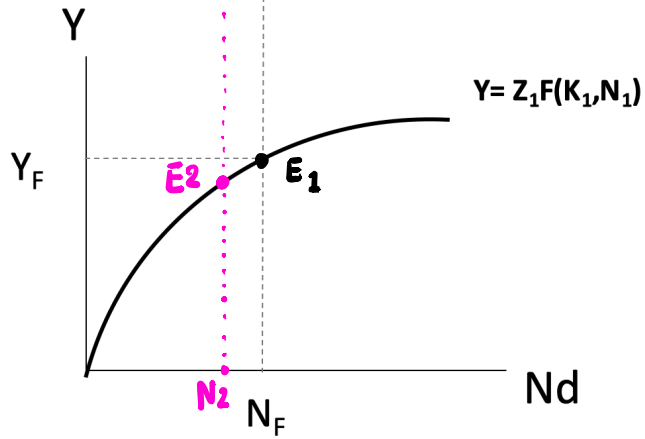
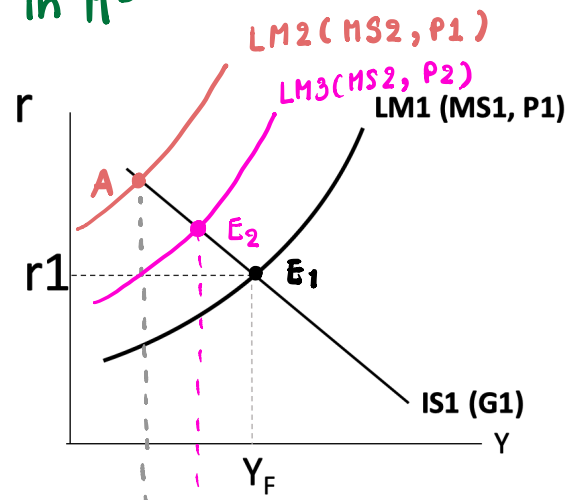
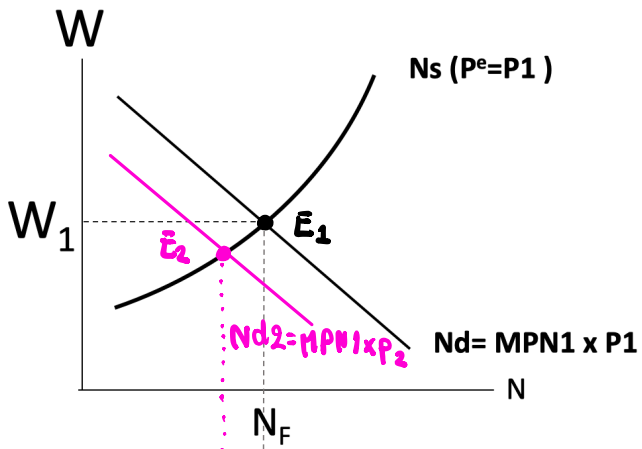
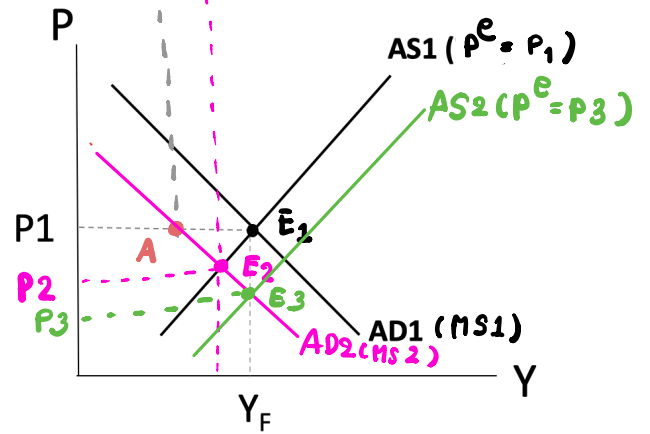
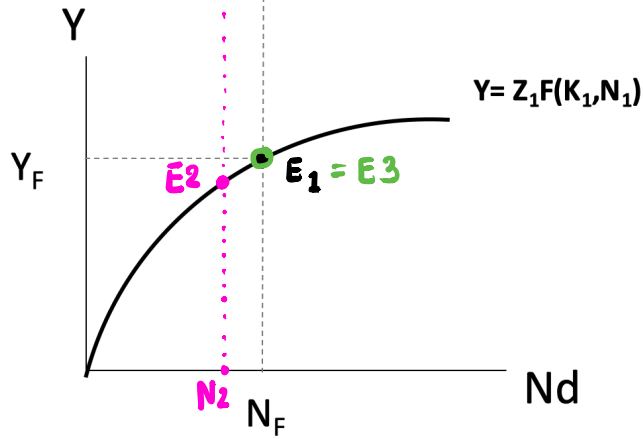
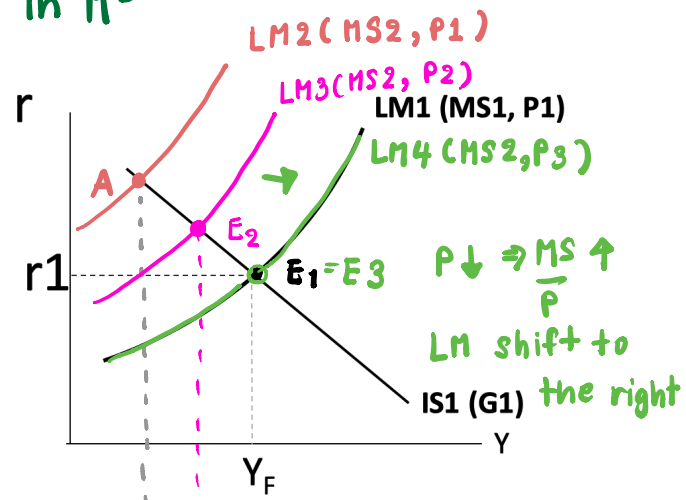
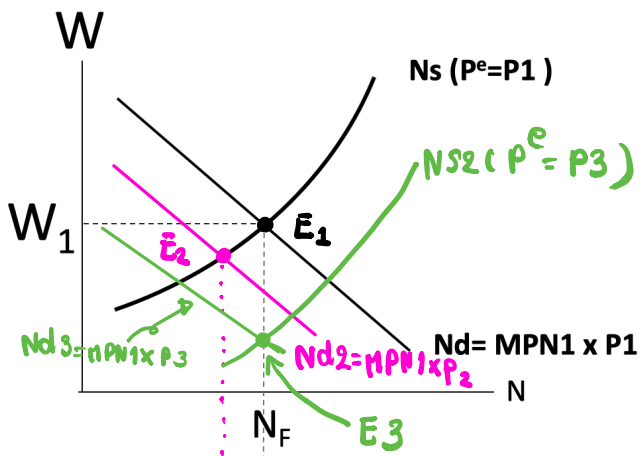


short-run : a decrease in  $M^S$

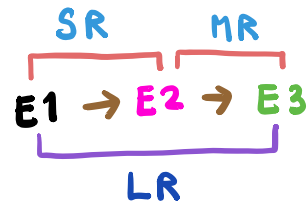


SR :  $E_1 \rightarrow E_2$

medium & long run : a decrease in  $M^S$

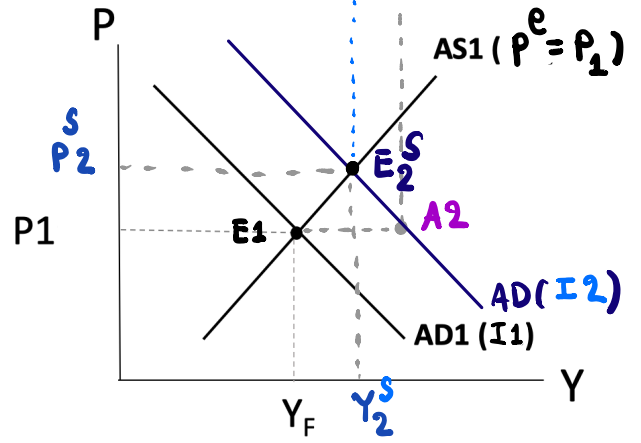
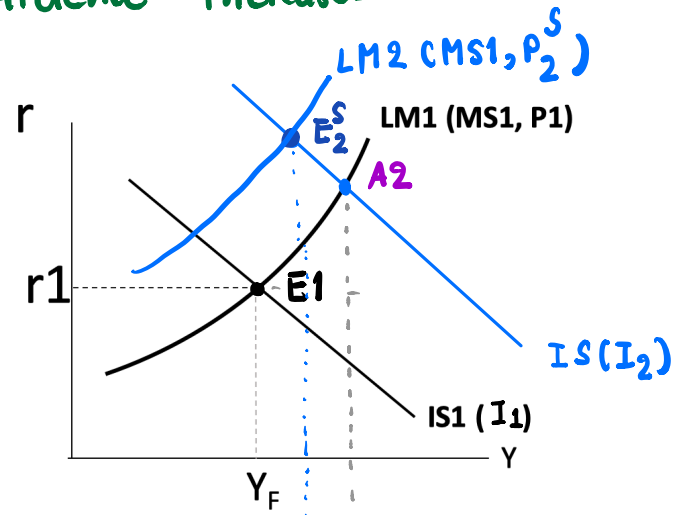
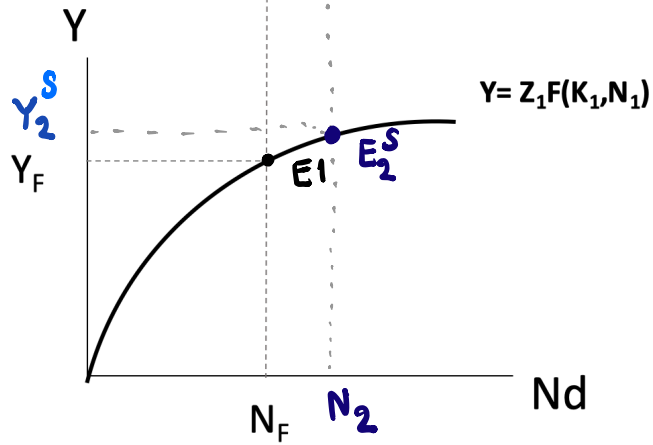
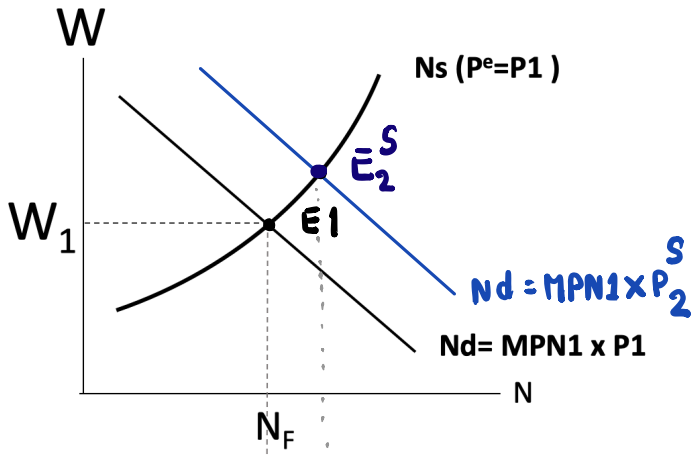


- SR :  $E_1 \rightarrow E_2$
- MR :  $E_2 \rightarrow E_3$
- LR :  $E_1 \rightarrow E_3$



Short-run

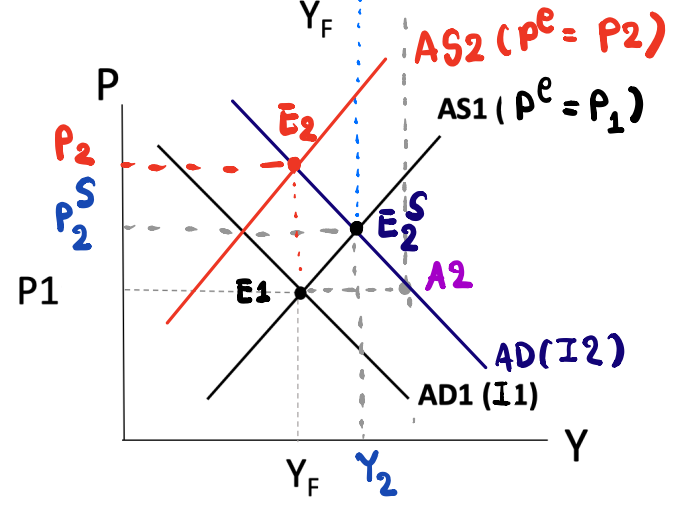
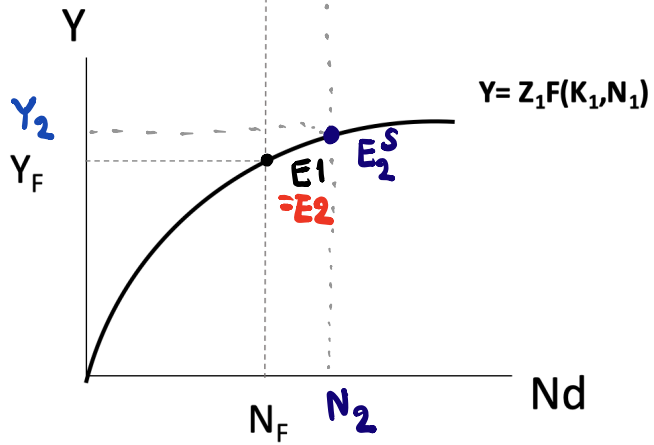
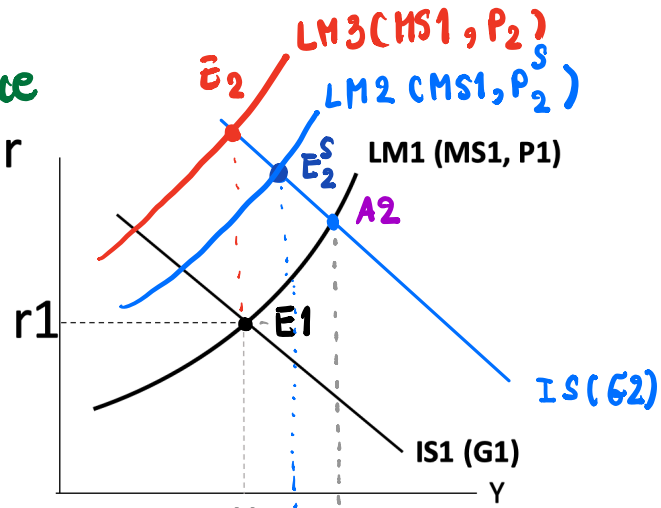
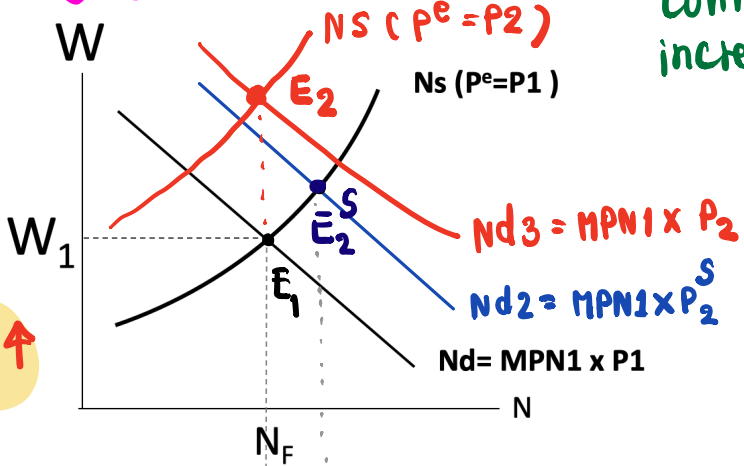
investor's confidence increases



medium-run & long-run

investor's confidence increases  $r$

$p^e \uparrow$



medium-run :  $E2^S \rightarrow E2$

long-run :  $E1 \rightarrow E2$

