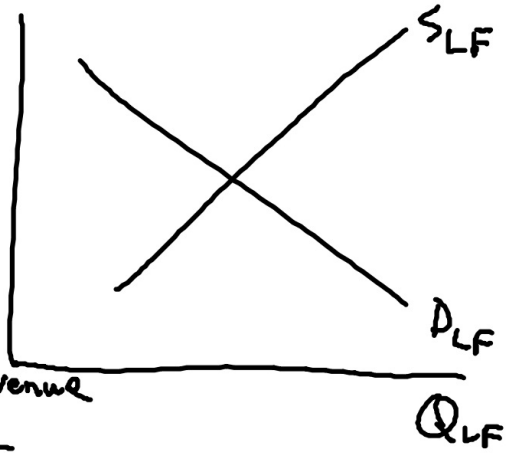


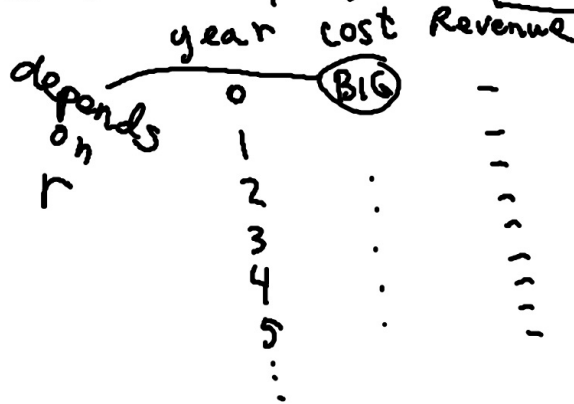
§§5-b #9 real r%  
MC

Loanable Funds

demanders are firms considering projects.



investment projects

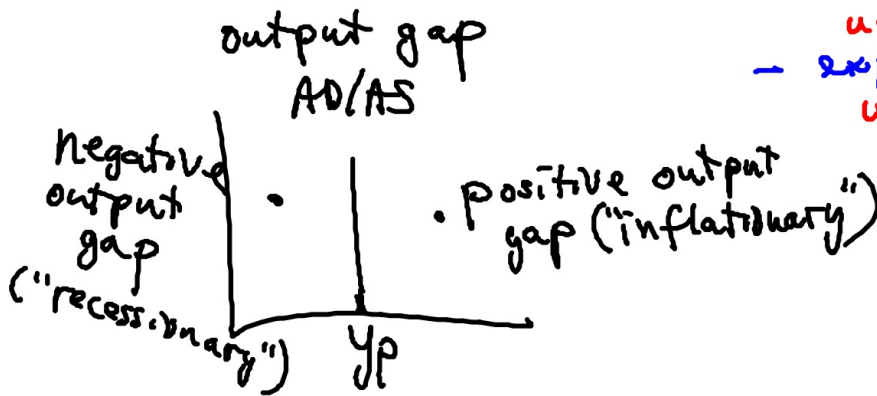


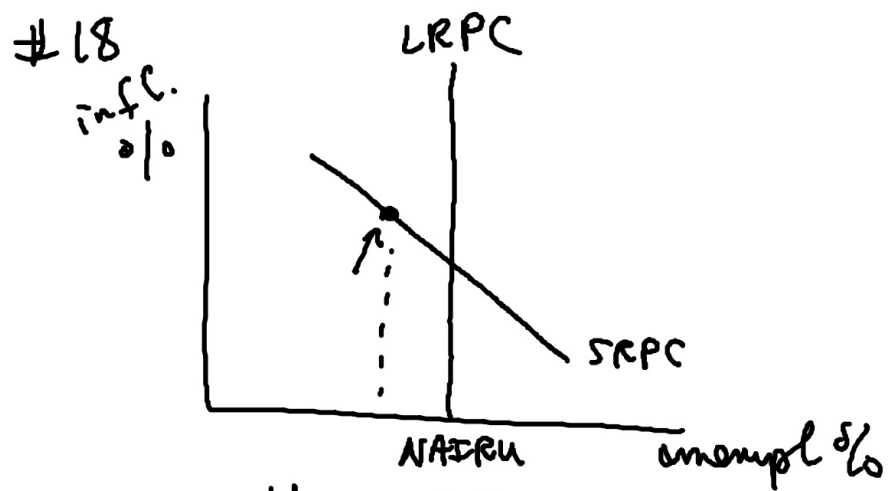
Rate of return is a measure of the profitability of the project.

#16 if: actual unempl = natural unempl

actual = natural + cyclical

+ contraction or recession  
unempl up  
- expansion  
unempl down





Long run:  $y_p = \text{RGDP}$   
 natural unempl. = unempl. rate

FR: money mkt  
 LF mkt  
 Phillips