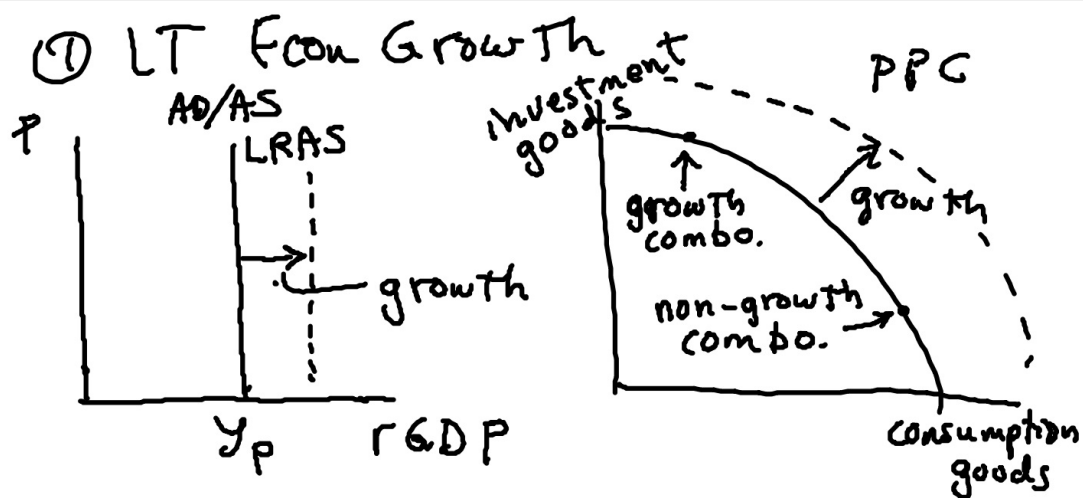


Final Exam Comprehensive. §§7-8

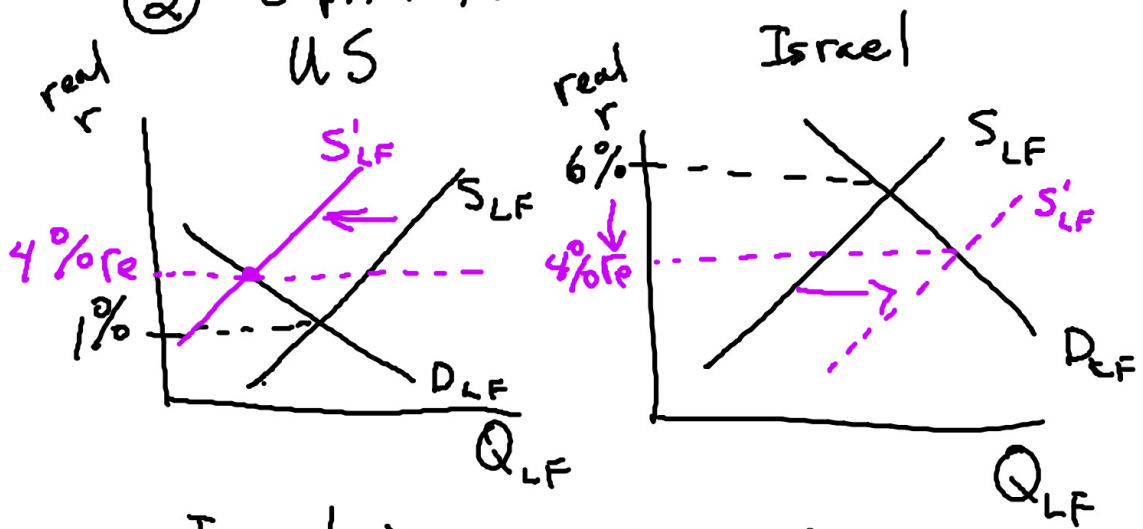
FR: ① LT econ growth model

② capital flow

③ forex



② capital flow.



Israel is in an expansion.
 Interest rate in Israel is 6%
 compared to 1% in US.
 Which way does capital flow? US → Israel

③ Forex

Previous scenario:

$D_{\text{₪}} \uparrow$

What happens to exchange rate for shekels?
 appreciation

