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The dependence of the price level on the expansion of the money supply in closed economies.

(English) [\[Zbl 0849.90030\]](#)

Diewert, W. Erwin (ed.) et al., Mathematical modelling in economics. Essays in honor of Wolfgang Eichhorn. Berlin: Springer-Verlag. 249-259 (1993).

Summary: The specialization of an economic model, created for open economies by Dornbusch in 1976, implies that a sudden expansion of the money supply makes the time path exponentially approach the higher steady-state level. This model was modified several times, but all modifications imply the typically exponential approach that does not fit empiric data. So we study models containing a time delay of the rate of inflation and get results which are more realistic.

For the entire collection see [\[Zbl 0840.00015\]](#).

MSC:

[91B62](#) Economic growth models

[91B24](#) Microeconomic theory (price theory and economic markets)

Cited in 1 Document

Keywords:

[sudden expansion of the money supply](#)