

Money, Banking, and Financial Markets

Lloyd B. Thomas



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Kansas State University

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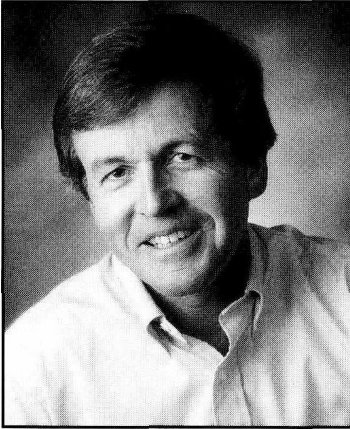
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A b o u t t h e A u t h o r



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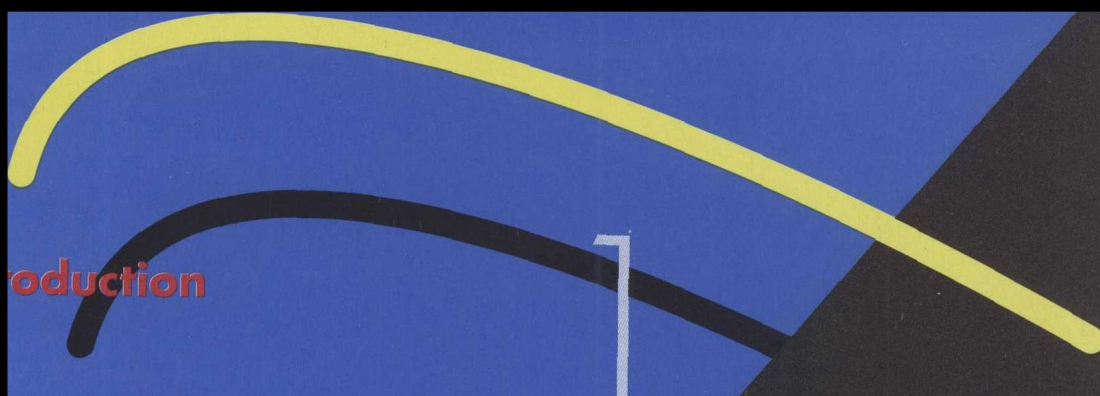
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PART



In this opening section, we introduce several important concepts to be studied throughout this course. Chapter 1 overviews the role that money, banks, and financial markets play in a nation's economy. Crucial financial markets include the stock market, bond market, and foreign exchange market. The prices that are determined in these markets are powerfully influenced by current and expected future economic conditions. These prices, in turn, affect expenditure decisions, thereby influencing economic conditions. Chapter 2 examines the nature, functions, and evolution of money. Changes in the quantity of money typically lead to changes in a nation's output, employment, and price level. There are several alternative measures of money in the United States and other nations, and there is no clear consensus about which measure is best.

