figure 17.1: EFFECT OF AN UNANTICIPATED INCREASE IN THE LEVEL OF MONEY SUPPLY: the time pattern of wages, real wages, prices and money supply

\[ w(t), M(t), p(t), \frac{w(t)}{p(t)} \]

\[ M(t) \]

\[ p(t) \]

\[ w(t) \]

\[ \frac{w(t)}{p(t)} \]

\[ T-1 \quad T \quad T+1 \]

\[ \text{time} \]

figure 17.2: EFFECT OF AN UNANTICIPATED INCREASE IN THE LEVEL OF MONEY SUPPLY: the time pattern of output and employment

\[ y(t) \]

\[ h(t) \]

\[ T-1 \quad T \]

\[ \text{time} \]