

## Chapter 7: 解答

### Questions

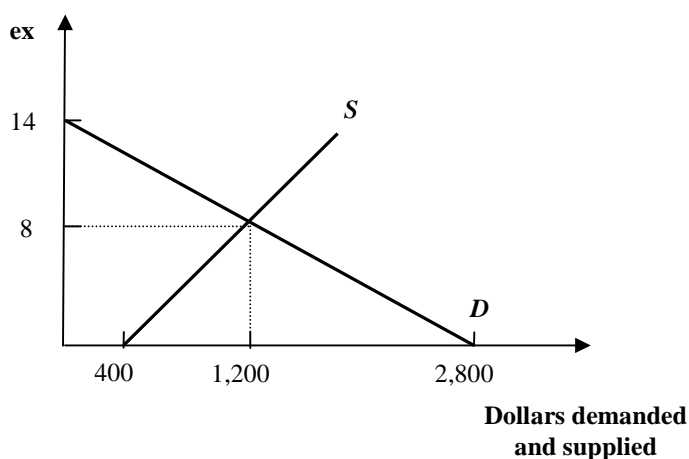
3. a. Credit; current account; decreases U.S. balance of payments deficit.
- b. Debit; capital account; increases U.S. balance of payments deficit.
- c. Credit; capital account; decreases U.S. balance of payments deficit.
- d. Debit; current account; increases U.S. balance of payments deficit.

### Problems

3. (a) The demand for dollars when the exchange rate equals 0 is  $2,800 - 200(0) = 2,800$ . The demand for dollars when the exchange rate equals 1 is  $2,800 - 200(1) = 2,600$ . By the same reasoning, the rest are: (2, 2400), (3, 2200), (4, 2000), (5, 1800), (6, 1600), (7, 1400), (8, 1200), (9, 1000), (10, 800), (11, 600), (12, 400).

The supply of dollars when the exchange rate equals 0 is  $400 + 100(0) = 400$ . The supply of dollars when the exchange rate equals 1 is  $400 + 100(1) = 500$ . By the same reasoning, the rest are: (2, 600), (3, 700), (4, 800), (5, 900), (6, 1000), (7, 1100), (8, 1200), (9, 1300), (10, 1400), (11, 1500), (12, 1600).

(b)

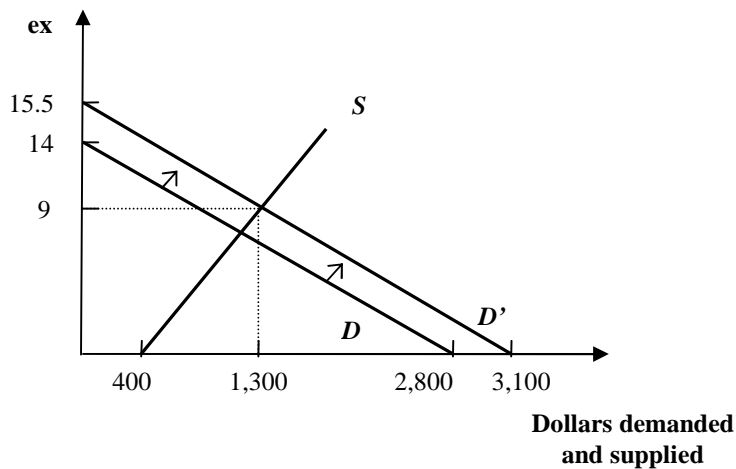


The equilibrium value of the exchange rate is the one at which the demand for dollars and the supply of dollars are equal. The demand for dollars and the supply of dollars both equal 1,200 billion at the exchange rate equal to 8. Therefore, 8 is the equilibrium exchange rate.

- (c) The demand for dollars increases when there is an increase in the demand for American exports or capital inflows. In this case, the demand for dollars rises due to a large purchase by the Chinese of a new American-made airplane.

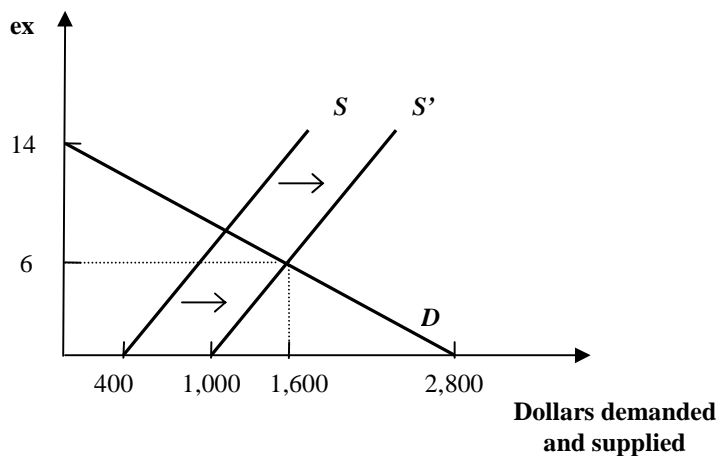
The demand for dollars increases by 300 billion at each exchange rate. Therefore, the points on the new demand curve are: (0, 3100); (1, 2900); (2, 2700); (3, 2500); (4, 2300); (5, 2100); (6, 1900); (7, 1700); (8, 1500); (9, 1300); (10, 1110); (11, 900); and (12, 700).

The equilibrium value of the exchange rate is the one at which the demand for dollars and the supply of dollars are equal. The increased demand for dollars and the supply of dollars both equal 1,300 billion at the exchange rate equal to 9. Therefore, 9 is the new equilibrium exchange rate.



- (d) The supply of dollars increases when Americans want to buy more imported goods or there are capital outflows. In this case, the increase in the supply of dollars is due to a large purchase by Americans of new lower-priced Chinese-made high-definition TVs.

The supply of dollars increases by 600 billion at each exchange rate. Therefore, the points on the new supply curve are: (0, 1000); (1, 1100); (2, 1200); (3, 1300); (4, 1400); (5, 1500); (6, 1600); (7, 1700); (8, 1800); (9, 1900); (10, 2000); (11, 2100); and (12, 2200).



The equilibrium value of the exchange rate is the one at which the demand for dollars and the supply of dollars are equal. The demand for dollars and the increased supply of dollars both equal 1,600 billion at the exchange rate equal to 6. Therefore, 6 is the new equilibrium exchange rate.