

Figure 21-1: Equilibrium in capital markets

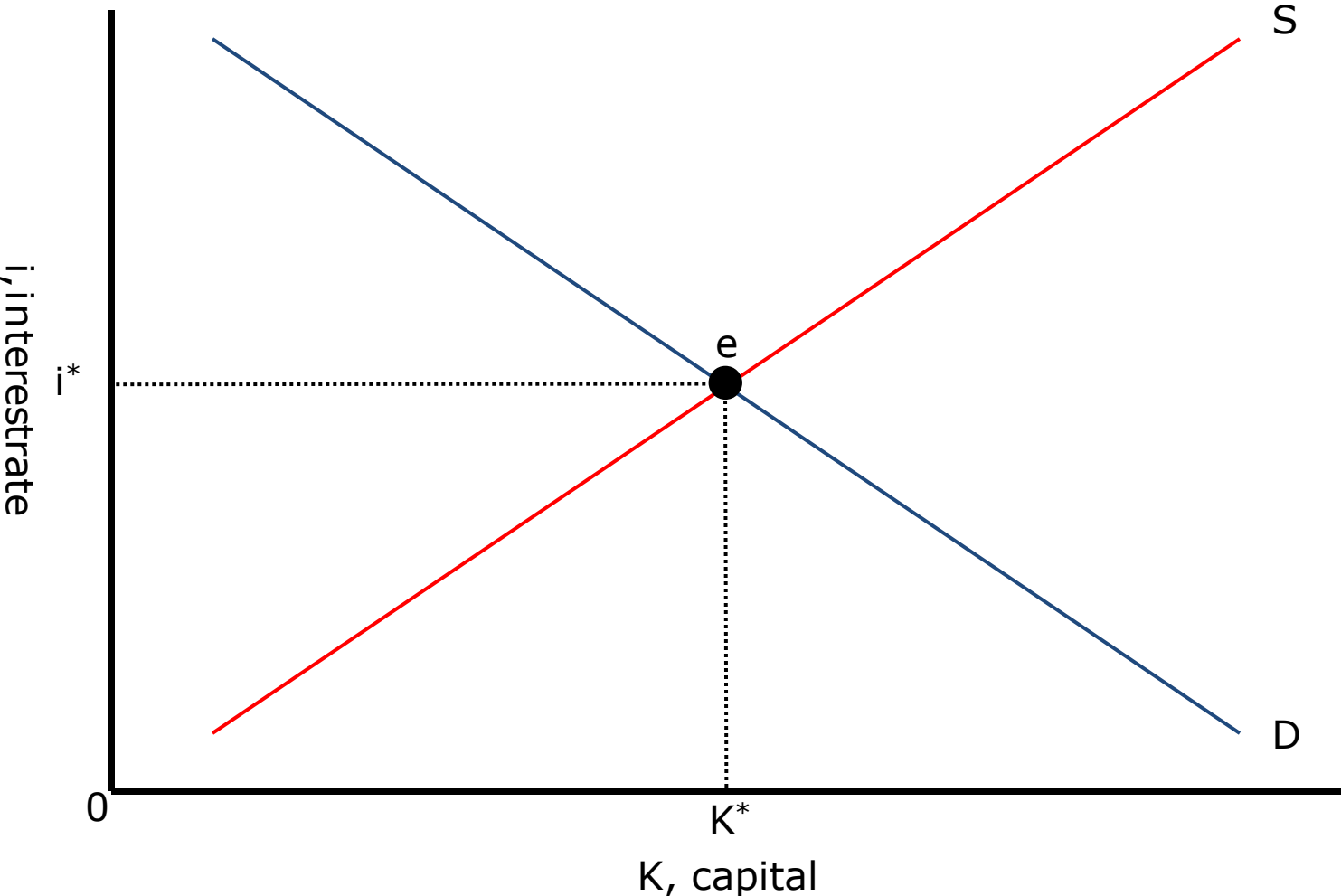


Figure 21-2: Intertemporal substitution

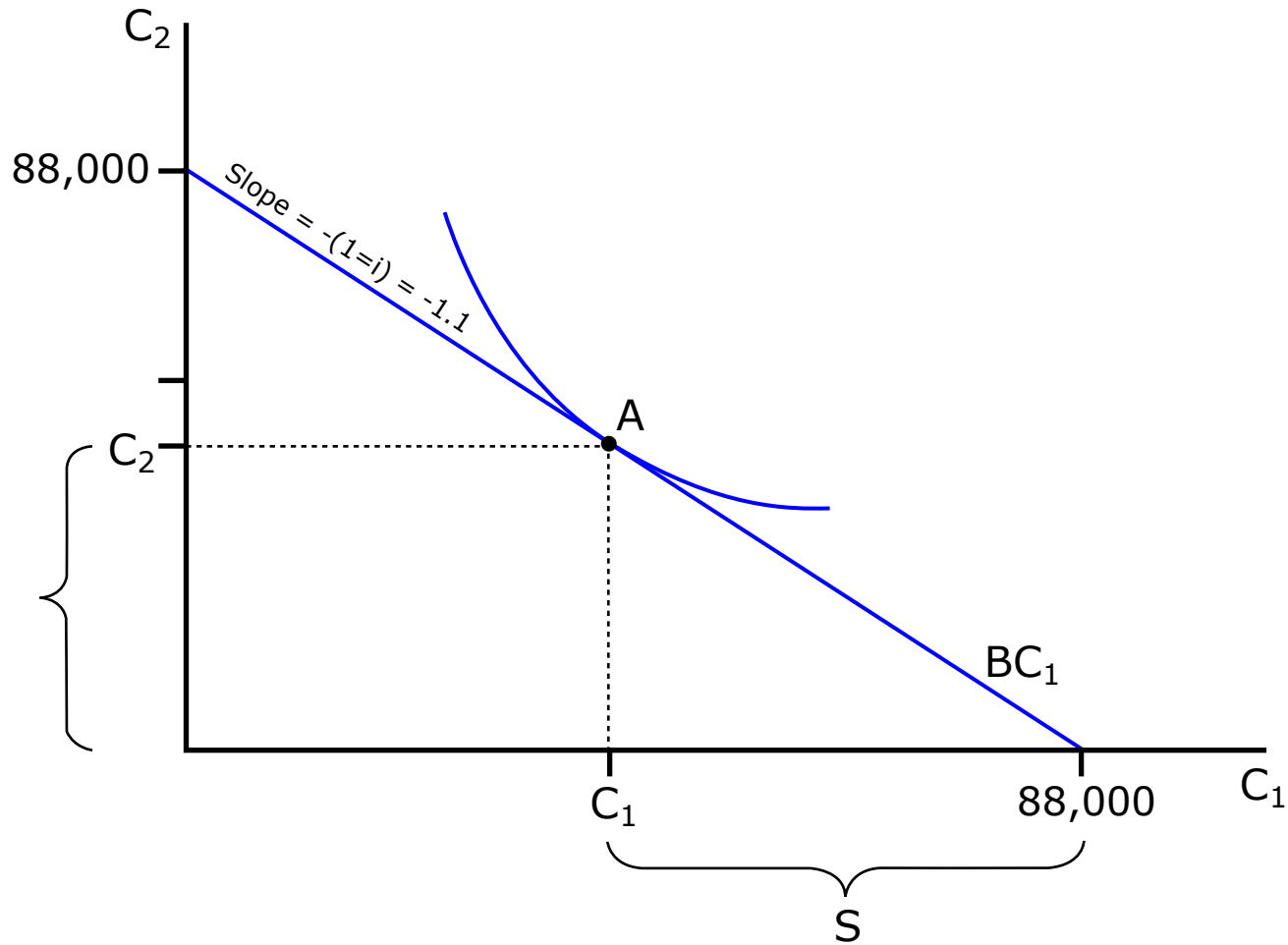


Figure 21-3: Intertemporal substitution with an increase in the interest rate: substitution effect dominates

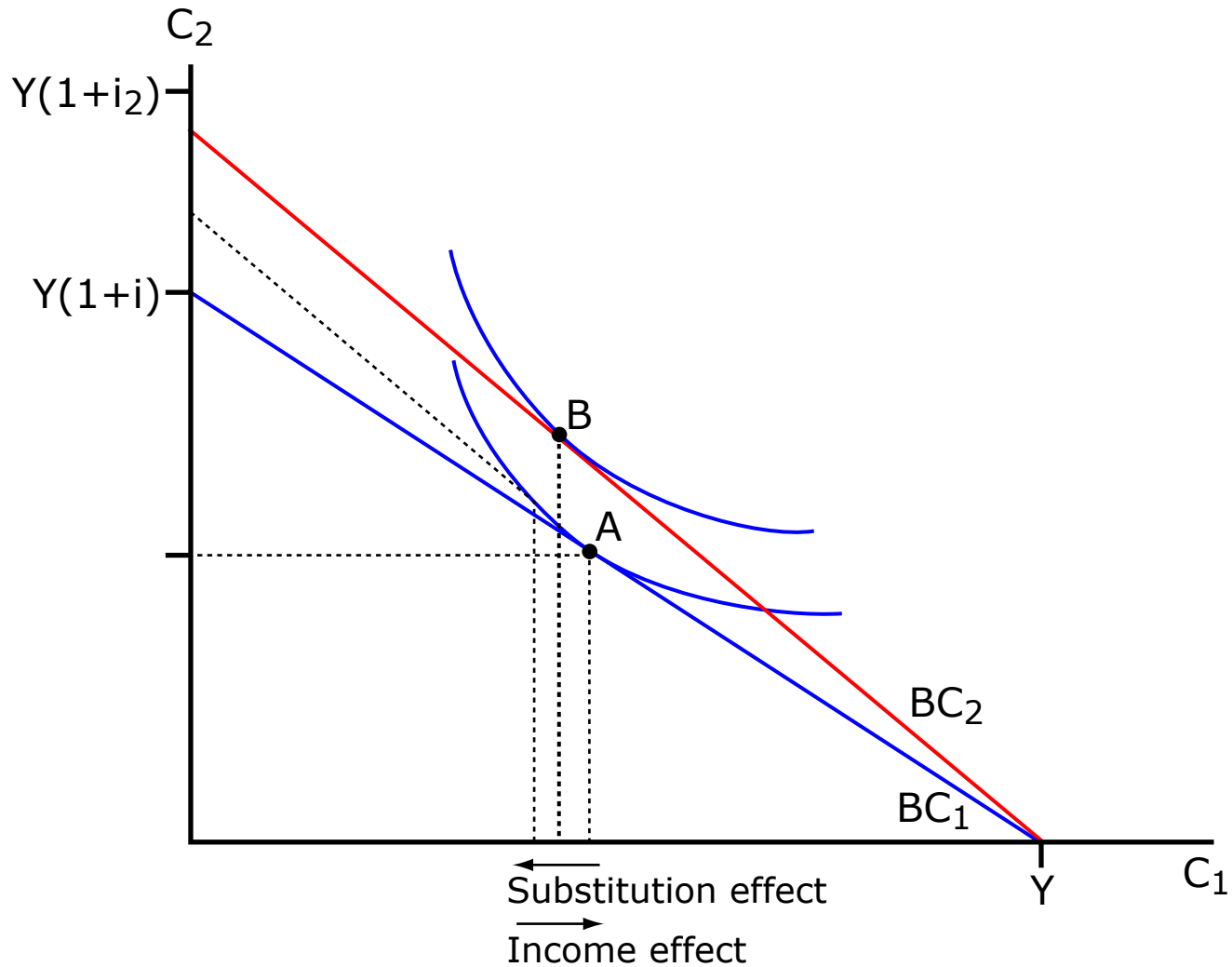
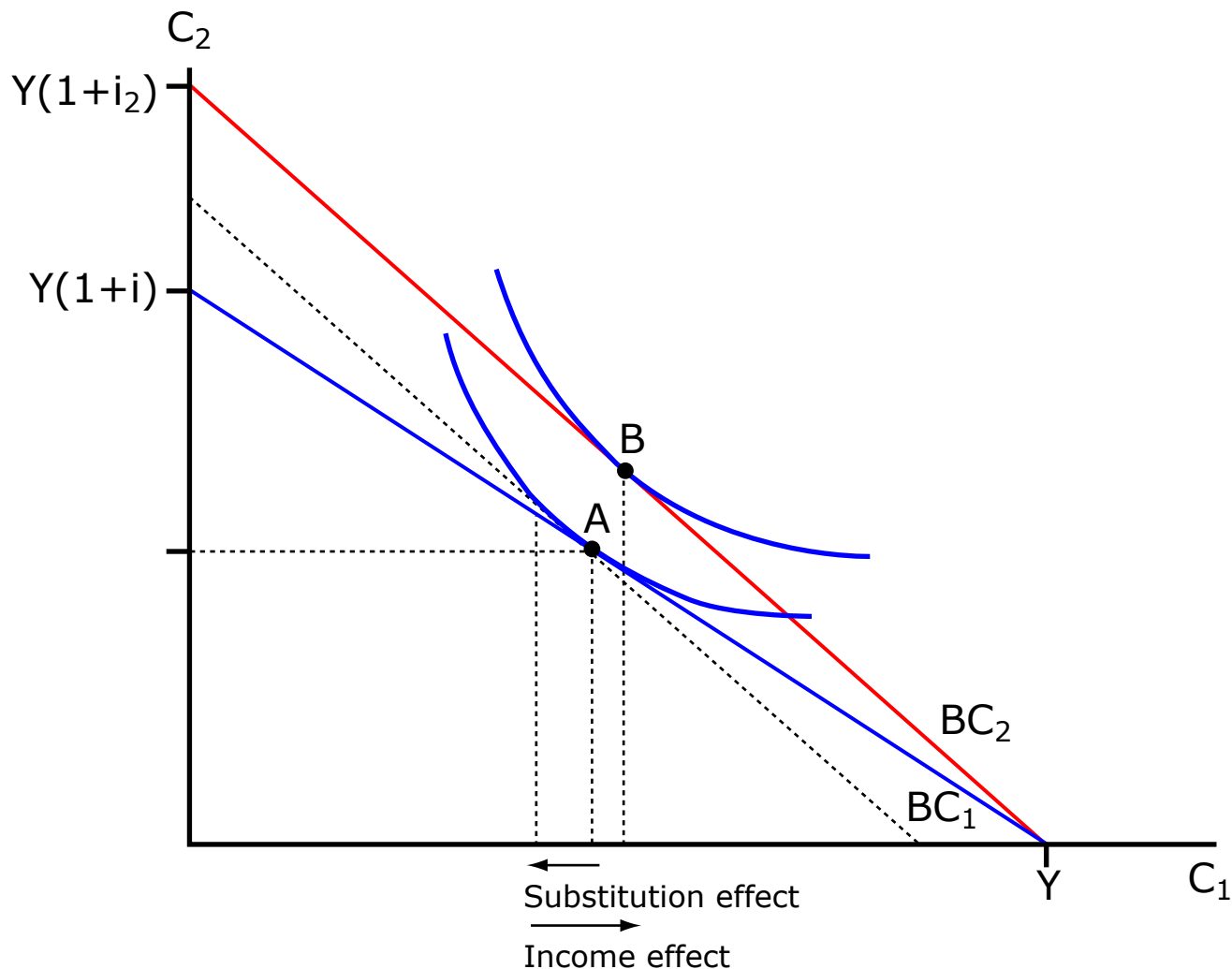


Figure 21-3: Intertemporal substitution with an increase in the interest rate: income effect dominates



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