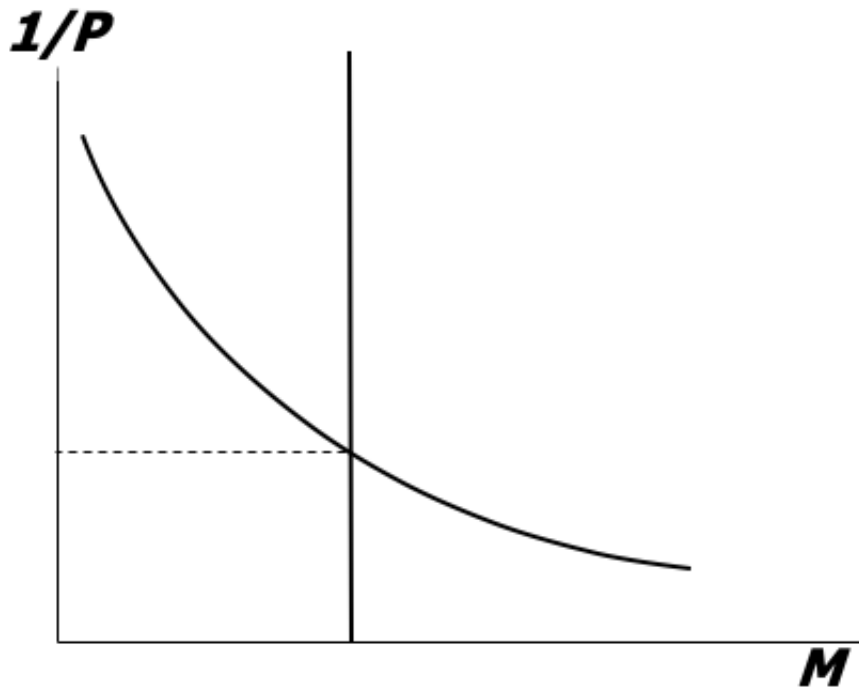


## 9th week: In-class Learning Activity

### 1. The Classical Theory of Inflation



- Horizontal axis:
- Vertical axis:
- Supply curve
- Demand curve
- Illustrate what happens when the Fed acts to increase the money supply by using open market operations.