
Contents

Introduction	7
1 The role of the demand for money in the transmission mechanism of monetary policy and theoretical approaches to its analysis	9
1.1 The role of the demand for money in the transmission mechanism of monetary policy	9
1.2 Primary theoretical approaches to examination of the demand for money	10
1.2.1 Keynesian interpretation of the demand for money	10
1.2.2 Neo-Keynesian interpretation of the demand for money	12
1.2.3 Post-Keynesian interpretation of the demand for money	14
1.2.4 Monetarist approach to the demand for money	16
2 Influence of selected factors on the demand for money, 1994-2000	19
2.1 Econometric models	19
2.1.1 Cointegration in multi-equation and single-equation models	20
2.1.2 Tests of cointegration in multi-equation and single-equation models	23
2.2 Data and their basic characteristics	25
2.3 Model construction and hypothesis testing	29
2.3.1 Relationship of $m2r$, $hdpr$ and $s1rp$ time series	30
2.3.2 Relationship of $m1r$, $hdpr$ and $s1rp$ time series	33
2.3.3 Relationship of other factors to the demand for money	35
3 Assessment of econometric analysis results and development of money velocity	39
3.1 Assessment of econometric analysis results	39
3.1.1 Demand for money in a wide context	39
3.1.2 Demand for money in a narrow context	40
3.2 Relationship of the demand for money and money velocity	41
Conclusion	45
References	47
Appendices	51