

Alternative monetary policies and economic stability in a medium-term Keynesian model

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Abstract

In this paper, we present a medium-term (disequilibrium) Keynesian model, study the stabilizing effects of monetary policies by means of the supply of money and of the rate of interest and analyze the effects of the inflation targeting policy. Moreover, we examine the possibilities of periodic orbits generated by way of Hopf bifurcations.

Keywords: Business cycles; Keynesian economics; Monetary policies; Policy instruments

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