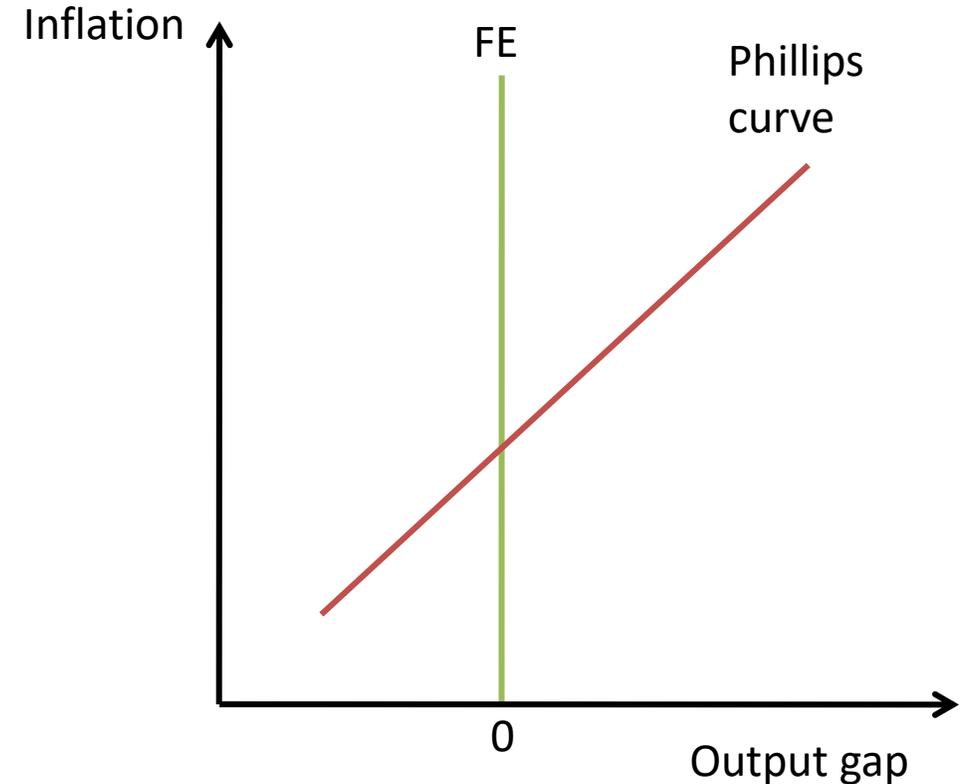
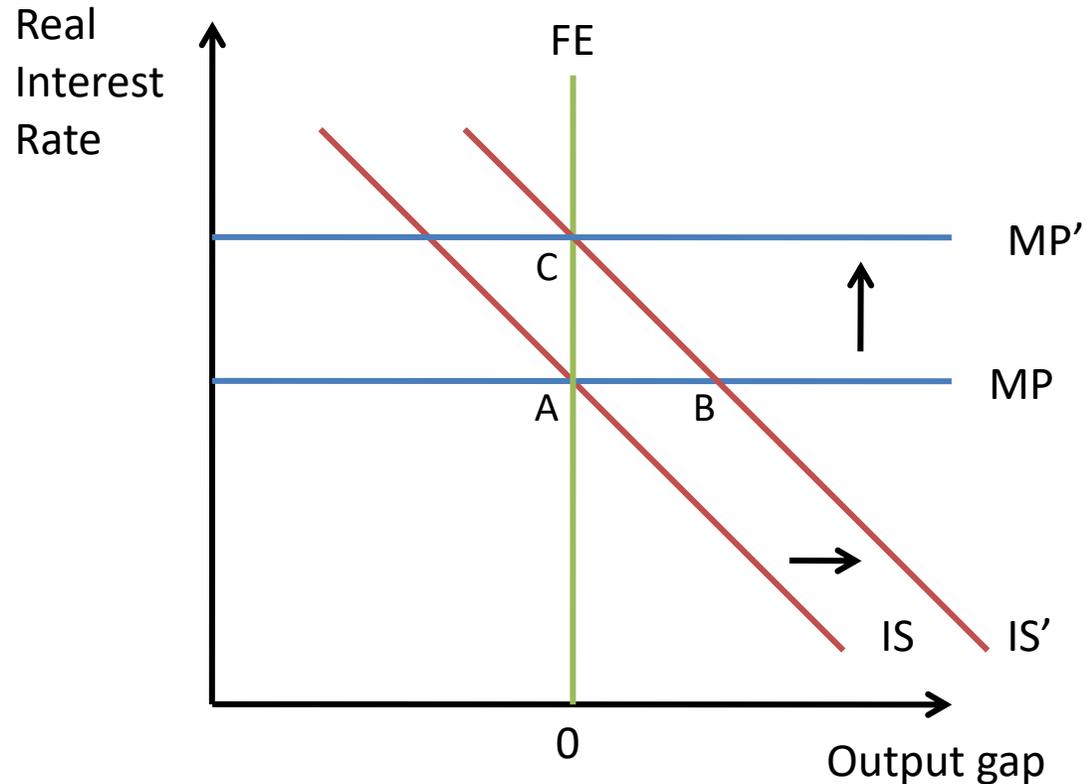


Stabilisation of IS Curve Shock



In response to IS curve shocks (demand shocks), monetary policy can (in principle) stabilise both output and inflation

FE: Full Employment