$$reserve ratio=\frac{required reserves}{demand deposits}$$

**Or restated:**

$$required reserves=reserve ratio\*demand deposits$$

$$excess reserves=actual reserves-required reserves$$

$$monetary multiplier=\frac{1}{reserve requirement}$$

$$∆ S\_{m}=excess reserves\*multiplier$$

$$Nominal Interest Rate=Real Interest Rate+Inflation$$

**Or**

$$R=r+ π$$

$$ Demand for Money=Demand for Transactions+Demand for Assets$$

Or

$$D\_{M}=D\_{T}+D\_{A}$$

$Value of Money= \frac{1}{Price Level}$

$$Equation of Exchange=MV=PQ=GDP$$

$$Depreciation= Gross investment-Net investment$$

**Or restated:**

$$Gross investment-depreciation=Net investment$$