Symbol Glossary

Generally, the discussion of variables and parameters within each chapter is self-contained. Below, recurrent variables and parameters are listed. Departures from these conventions are clearly mentioned in the text.

A:	real stock of domestic assets
A^*:	real stock of foreign assets
B:	foreign exchange reserves exclusive reserves from foreign loans R
B_D:	real stock of domestic government bonds
B_{DB}:	real stock of domestic government bonds held by banks
B_{DH}:	real stock of domestic government bonds held by households
B_F:	real stock of foreign government bonds
B_{FH}:	real stock of foreign government bonds held by households
C:	real consumption
CA:	nominal value of capital account in domestic currency
CRA:	current account
CF:	cash flow (being defined differently)
CF^e:	expected cash flow (being defined differently)
D:	nominal stock of deposits
D_{BA}:	nominal deposits of commercial banks or required reserves $D_{BA} = \tau D$
DB:	nominal value of domestic debt in domestic currency
DB^*:	nominal value of foreign debt in foreign currency
E:	real stock of equities
E_B:	real stock of equities held by banks
E_H:	real stock of equities held by households
EA:	nominal earnings in domestic currency; $EA = P \cdot Y$
F:	net foreign assets
G:	real government demand
GPR:	nominal gross profits
H:	domestic credit component
I:	real net investment of fixed capital
K:	real stock of fixed capital
$\hat{K}$:	growth rate of the real stock of fixed capital; $\hat{K} = \dot{K}/K = I/K$
L:	nominal stock of domestic loans in domestic currency
L_{BA}:	loans from central bank to domestic banks
L^*:	nominal stock of foreign loans in foreign currency

LMA: liquid monetary assets
LF^*: net foreign loan inflows to domestic banks
M: nominal stock of money supply
N: volume of employment (working hours)
NFP: net foreign position
NW_x: net worth of sector x
NX: real net exports (exports less imports)
P: domestic price level or supply price of capital, respectively
P^*: foreign price level
P_A: market price of domestic assets
P_A^*: market price of foreign assets
P_{BD}: market price of domestic government bonds
P_E: market price of equities
P_{BF}: market price of foreign government bonds in foreign currency
P_K: demand price of fixed capital
P_{LBD}: market price of long-term domestic government bonds
P_{SBD}: market price of short-term domestic government bonds
P_{SFB}: market price of short-term foreign government bonds in foreign currency
PC: payment commitments
PR: nominal profits
PNW: present value of net wealth
Q_g: gross nominal profits
Q: net nominal profits (gross profits less external financing costs)
R: foreign exchange reserves from foreign loan inflows
T: nominal value of trade balance in domestic currency
U: lifetime utility
W: wealth
Y: domestic real output or total income, respectively
Z: foreign exchange reserves $Z = L^* + B$
d: real deposits relative to capital stock; $d = D/PK$
f: domestic nominal interest rate on long-term government bonds
g: real government expenditures per unit of capital; $g = G/K$
h: real domestic credit component relative to capital stock; $h = H/PK$
i: domestic nominal interest rate on short-term government bonds
i^*: foreign nominal interest rate on short-term government bonds
i_C: domestic prime rate (domestic central bank's discount rate)
i_C^*: foreign prime rate (foreign central bank's discount rate)
i_{DB}: domestic nominal interest rate on domestic debt
i_{DB}^*: foreign nominal interest rate on foreign debt
i_r: real interest rate
i_{RF}: risk-free reference interest rate
j: domestic nominal interest rate on domestic bank loans in domestic currency
j^*: foreign nominal interest rate on foreign bank loans in foreign currency
m: money multiplier; $m = 1/\tau$
nx: net exports per unit of capital; $nx = NX/K$

$\hat{p}$:	domestic price level's growth rate; $\hat{p} = \dot{P}/P$
$\hat{p}^*$:	foreign price level's growth rate; $\hat{p}^* = \dot{P}^*/P^*$
q:	Tobin's q
r^e:	expected (net) profit rate
r_g:	gross profit rate on capital
r:	(net) profit rate on capital (gross profit rate less external financing costs)
rp:	risk premium (reflecting domestic banks' default risk)
s:	nominal exchange rate (price of one unit of foreign currency in domestic currency)
$\hat{s}$:	growth rate of the the nominal exchange rate; $\hat{s} = \dot{s}/s$
u:	capacity utilization; $u = Y/K$
u^*:	full employment level of capacity utilization
v:	nominal wage share (in gross product); $v = wN/PY$
w:	nominal wage rate
α:	exogenous risk premium on domestic government bonds
β:	subjective discount or preference factor
δ:	rate of capital depreciation
η:	"desired" or "demanded" growth rate of the capital stock; $\eta = I/K = \hat{K}$
λ:	debt-asset ratio; $\lambda = L/(PK)$
λ^*:	foreign debt-asset ratio in foreign currency; $\lambda = L^*/(PK)$
λ_d^*:	foreign debt-asset ratio in domestic currency; $\lambda = s\,L^*/(PK)$
ρ:	state of confidence, difference between expected and actual profit rate; $\rho = r^e - r$
σ:	risk premium; $\sigma = r - (i - \hat{p})$
σ^*:	risk premium; $\sigma^* = r - (i^* + \beta(\rho) - \hat{p})$
τ:	required reserve ratio