

Khanita Comdang 2006: Money Supply Analysis Before and After Financial Crisis: A Case Study of Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Mr. Saksit Budsayaplakorn, Ph.D. 109 pages.

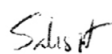
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Money supply is an important macroeconomic variable to economic system. The objective of this study is to investigate the relationships between various definitions of money supply and the macroeconomic variables such as monetary base, nominal income, commercial credit, consumer price index, repurchased rate, nominal exchange rate and real exchange rate. This analysis uses the quarterly data from 1991: 1 to 2005: 4 covering the period before and after Financial crisis in July 1997. The Cointegration and the Error Correction Model are used to determine the short-run and the long-run relationships of macroeconomic variables.

The results show that all macroeconomic variables are stationary at the first difference and all of them are related to the money supply based on the idea of the accommodationist. Money supply is endogenously determined in the model, and the commercial credit is one of the important macroeconomic variables that affect the economic growth. Therefore, the monetary authorities in the Bank of Thailand should cautiously control the commercial credit and monetary policies.



Student's signature



Thesis Advisor's signature

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