

CAPITAL FORMATION: THEORY

Phenomena of interest rates

Short-term investment fluctuations

Secular Changes and Persistent International
Differences in level of capital formation

Problem of capital accumulation and instability

FORMS OF CAPITAL FORMATION

1. private savings
2. corporate savings
3. forced savings
4. bank credit

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"Bank Money and the Capital Supply,"
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Capital formation -- bank credit

ANDERSON, B. M., Jr

Author File

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PTO. seem to yield better results than global analysis where the differences between sectors are passed over in silence. The study of capital coefficients is not applicable to the analysis of entrepreneurial behavior.

Jean Parent, ECONOMIC ABSTRACTS no. 20, Entry 2054,
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Capital theory and theory of production--strangers to one another for a long time--show a tendency for reunion; the connecting point is the study of the capitalistic structure of production. The capital coefficient can be conceived in two ways: as a coefficient of capital intensity in studies on the capital-production relationship, as a coefficient of capitalization in the relationship between investment and revenue. It appears that the intensity coefficient remained stable for a long time but has tended to decline since. It is not a reliable research tool, in the short run, because unutilized capacity cannot be accounted for. The capital coefficients make it possible to formulate precisely the problem of choosing the proper type of investment in underdeveloped countries. The one may discover close functional relationship between capital coefficients, multiplier and accelerator, ~~hasty judgments must be avoided.~~ Input-output relationships between sectors of economy or intra-firm research

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