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Policy: A Survey

CORRIGENDUM

Page ii, Table of Contents, last line: for "Bibliographical Appendix of  
Empirical Literature"  
read "References"

Pages 33-38: Revised as pages 33-35

Corrected pages are attached.

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INTERNATIONAL MONETARY FUND

Central Banking Department

**Implications of Banking Market Structure  
for Monetary Policy: A Survey**

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Prepared by Miquel Faig-Aumalle 1/

Authorized for distribution by V. Sundararajan

April 15, 1987

Abstract

This paper presents a survey of the analytical literature on bank behavior in imperfect markets, focusing on the implications for monetary policy. While the literature on bank behavior under different competitive conditions is extensive, there are only a few models that incorporate the banking industry features into a macroeconomic and monetary policy framework. A review of these models reveals that the effect of the competitive conditions in the banking markets for monetary control seems to depend not only on the type of operating targets and instruments used for implementing monetary policy, but also on the specific structure of the model.

JEL Classification Numbers:

3110; 3116; 3140

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1/ This paper was prepared while the author was working as a summer intern in the Central Banking Department. He would like to especially acknowledge the comments and suggestions of Messrs. Sundararajan, Galbis, and Baliño.

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