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Sen's Behavioral function and formulation of 4 kind of market; goods and service, stock market, bond market and foreign assets market with exchange rate.

Abstract:

I show the behavioral function of mankind which reflect A. Sen's capability and agency approach. I will show this at section 1. Laborer's life is heavily influenced by the market conditions such as worldwide depression caused by financial crisis and distribution of income and wealth today. The typical agency action is fight against these diseases. And so, I want to show the relation of humankind and other markets. I offer the relations of good & service (GS) market with 3 kinds of asset markets; capital stock, national bond, and foreign assets intermediated by exchange rate (\(\frac{1}{2}\), etc.). To make such model, the time structure of transaction of each market is essential, but now little attention is paid for these markets. Section 2 define the time structure of 4 kinds of markets by using J. Hicks's week which was offered by his "Value and Capital"(1939). Section 3 treats capital stock market, and its speculative characteristics. Section 4 treats money and bond market which is reformation of Hicks' LM model. Section 5 treats foreign asset market with foreign exchange rate. As we already have short-term and long-term real GS market model such as Okishio' "Accumulation", we now have both real and monetary market model linked with A. Sen's capability and agency approach.