Cycle of money with and without the enforcement savings

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Concept of the enforcement savings

This paper is about the comparison of the cycle of money including the enforcement savings and without them. Thus, it is plausible to extract the appropriate conclusions about the utility of savings in an economy when there the savings return to the market for investments and for consumption and when these savings are omitted and lost from the market for a long-term period. The fixed length principle is the tax policy that the theory of cycle of money suggests. The last decision of the 15 % complies with the fixed length principle theory that supported the last decade by the theory of cycle of money. Moreover, according to this theory the governments should act more to reform the structure of their economics, to settled better with the principles of this theory.
Methodology

• The Q.E. method uses the prior three steps for the formation of the model. The theoretical background or the theory is the source the generator which produced the data and gives shape to the mathematical approach. After the production of data and formation of the equation is plausible to extract conclusions and/or to proceed to a further mathematical analysis.
Mathematical equations

Applied equations:

\[ \alpha = \alpha_s + \alpha_t, \text{ or } \frac{1}{v} + \alpha_t \]

- \( x_m = m - \alpha \)
- \( m = \mu + \alpha_p \)
- \( \mu = \sum_{i=0}^{n} \mu_i \)
- \( \alpha_p = \sum_{j=0}^{m} \alpha_{pj} \)
- \( c_m = \frac{dx_m}{dm} \)
- \( c_\alpha = \frac{dx_m}{da} \)
- \( c_y = c_m - c_\alpha \)
Compile and results

Table for compile

<table>
<thead>
<tr>
<th>Factors</th>
<th>Values</th>
<th>Values</th>
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</thead>
<tbody>
<tr>
<td>$\alpha_{s}$</td>
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<tr>
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<tr>
<td>$\mu$</td>
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<tr>
<td>$\alpha_{p}$</td>
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Results

Comparison of cycle of money and the case cycle of money without enforcement savings: The results when the enforcement savings are omitted indicate that the cycle of money has higher values, showing that economy has better dynamic (blue line has much better picks).
Conclusions

• It is extracted the conclusion that the absence of savings decline the economic dynamic of the market, and affect with their turn the tax and public policy. Therefore, the appropriate tax and public policy determine the robustness of the economy. To achieve a better structure and dynamic of an economy is required the appropriate economic policy of fixed length principle which estimates on the increase of the consumption and of the investments. According to OECD “The landmark deal, agreed by 136 countries and jurisdictions representing more than 90% of global GDP, will also reallocate more than USD 125 billion of profits from around 100 of the world’s largest and most profitable MNEs to countries worldwide, ensuring that these firms pay a fair share of tax wherever they operate and generate profits”. The last decision of 15 % tax rate applies the fixed length principle of theory of cycle of money and the concept of the enforcement savings.