

# CONTENT

* LIST OF ABBREVIATIONS.	iv
* LIST OF TABLES.	v-vi
* LIST OF FIGURE, CHART AND GRAPH.	vi
* LIST OF APPENDICS.	vii
 <b>CHAPTER ONE : INTRODUCTION</b>	 <b>1</b>
↳ Economic Growth Models.	2
↳ Genesis of the Theory.	4
↳ Present Study.	6
↳ Hypotheses.	8
 <b>CHAPTER TWO : REVIEW OF LITERATURE</b>	 <b>9</b>
↳ Financial Structure and Economic Development.	10
↳ Different Views.	11
↳ Statistical Evidence.	14
↳ Leading Works and Related Hypotheses.	20
(1) Gurley and Shaw Hypothesis "Liquidity Theory".	21
(2) Patricks Hypothesis "Demand Following Supply Leading".	22
(3) Mckinnon-Shaw Hypothesis "Financial Repression".	26
↳ Recent Development on Literature.	34
 <b>CHAPTER THREE : FINANCIAL STRUCTURE OF JORDAN'S                             ECONOMY</b>	 <b>39</b>
↳ Evolution of Central Bank of Jordan.	42
↳ Monetary Policy.	45

♣	Licensed Banks.	49
♣	Banking Density.	50
♣	Indicators of Financial Development.	52
♣	Banking Credit and Lending.	58
♣	Specialized Credit Institutions (SCIs).	61
♣	Other Financial Corporations.	65
♣	Capital Market.	68
<b>CHAPTER FOUR : SUPPLY OF FINANCIAL ASSETS</b>		<b>71</b>
♣	Role of Multiplier and Monetary Base in growth of Highly Liquid Financial Assets.	78
A)	Multiplier and Financial Assets.	78
B)	Monetary Base.	79
1.	Foreign Sector.	81
2.	Public Sector.	86
3.	Financial System.	88
♣	Supply of Less Liquid Financial Assets.	91
<b>CHAPTER FIVE : DEMAND FOR FINANCIAL ASSETS</b>		<b>101</b>
♣	Performance of Jordanian Economy.	103
♣	Economic Development and Financial Assets.	107
♣	Sectorial Growth of National Income.	108
♣	Demand for Financial Assets : An Empirical Analysis.	110
♣	Financial Assets and Sectorial Income.	114
♣	Demand for Financial Assets and Other Determinants.	120
⇒	Rate of Interest.	120
⇒	Impact of Rate of Interest and GNP.	122
⇒	Price Level.	124
⇒	Population and Demand for Financial Assets.	125

➔	GNP, Rate of Interest, Price Level and Financial Assets.	126
β	Influence of Per-Capita Income on Financial Assets.	128
<b>CHAPTER SIX : CONCLUSION AND RECOMMENDATIONS</b>		<b>133</b>
β	Summary and Observations.	133
β	Policy Implications and Recommendations.	139
<b>APPENDICES</b>		<b>143</b>
<b>BIBLIOGRAPHY</b>		<b>159</b>