

Tobin's q as a Transmission Channel for Nontraditional Monetary Policy: The Case of Japan

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Abstract: The purpose of this paper is to provide an objective statistical piece of evidence on the effectiveness of the non-traditional monetary policy. The quantitative easing monetary policy, adopted by the Bank of Japan for the period from March 2001 through March 2006, had a stimulating effect on investment and production at least through Tobin's q channel.

Key Words: Quantitative Easing, Stock Prices, Newly Issued Stocks, Investment, Vector Autoregression

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