

# Part I

## Understanding the Financial Crises

Part I describes the 'toolkit' necessary to understanding financial crises. Specifically, Chapter 1 illustrates the prototype of financial crisis using the Minsky model. Chapters 2 and 3 look at the macro and micro models of financial crises. Chapter 4 explains the transmission channels of financial crises. Chapter 5 provides a brief description of the International Monetary Fund as the most important institution in charge of preventing and managing financial crises. The interpretative tools introduced here will be referred to whenever appropriate in the rest of the book.