## Response on Referee Report 1

I appreciate the time taken to comment on my paper. I like to thank the referee for that.

Keen is using his Minsky, Goodwin approach to explain instability in financial systems, meanwhile referring to the monetary profit paradox as a demonstration/clarification of that problem.

However, this is is not the issue of my paper, that is why I'm not discussing the monetary profit paradox itself in my paper.

For those who are interested in my personal view on the monetary profit paradox, please send me an e-mail at <a href="mailto:marcel@dlfsustainable.nl">marcel@dlfsustainable.nl</a> and I will be glad to send you a preliminary paper of mine (to be published soon) on this subject.

My intention in this paper is to point out that the inconsistency of the formulas Keen used to describe the system as a whole leads to a fundamental wrong concept of Debt and Deposit in a pure credit economy. To help the reader understand where this mathematical inconsistency is introduced I did add some calculations.

As a consequence, because Keen is using this faulty reasoning to solve/clarify the monetary profit paradox, I concluded that he did not succeed in doing that from a philosophical and logical point of view.

The most important question remains of course: is the mathematical reasoning presented in my paper correct? I'm convinced it is sound. I like to invite referees to react on the mathematics.

Regarding the style of my paper , I will do my best to make my paper easier to read and I welcome additional comments.