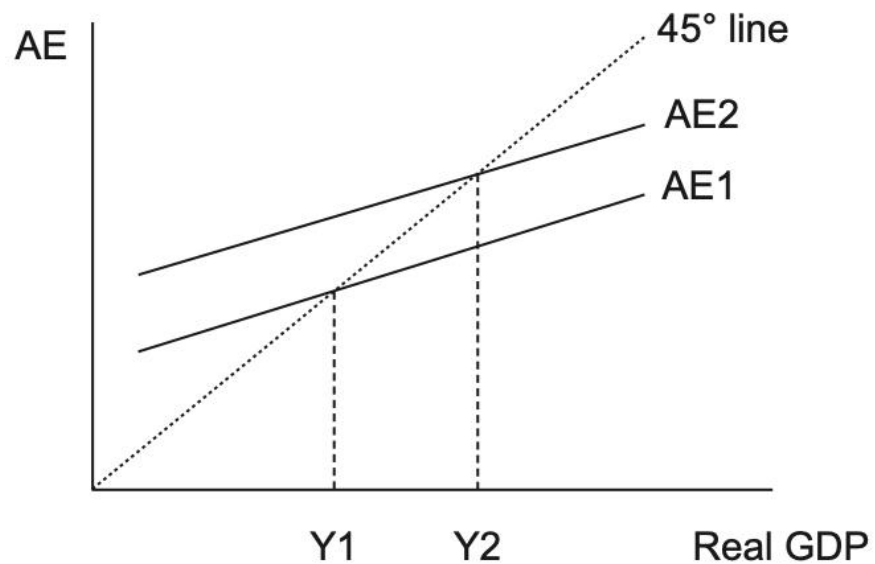


18. This question refers to the aggregate expenditure (AE) model shown below.



In the AE model, the level of income will rise when spending is

- (a) equal to output.
- (b) greater than output
- (c) less than output.
- (d) equal to aggregate expenditure.