



# Aggregate Expenditures

$$AE = (A + I + G + NX) + MPCY$$

AE

Total Production  $\equiv$  National Income

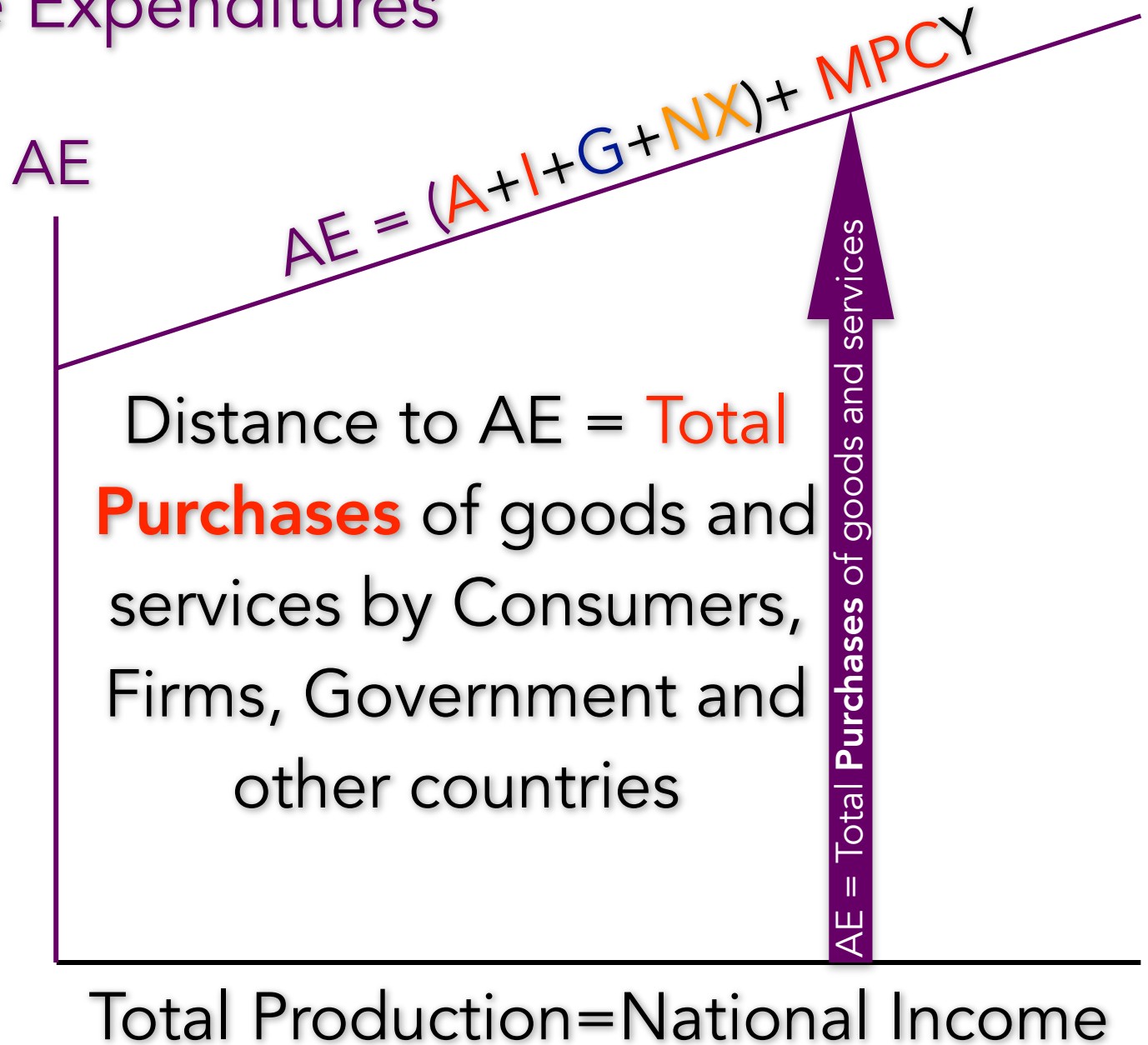


Distance to AE = **Total Purchases** of goods and services by Consumers, Firms, Government and other countries



AE = Total **Purchases** of goods and services

# Aggregate Expenditures





Total Production=National Income