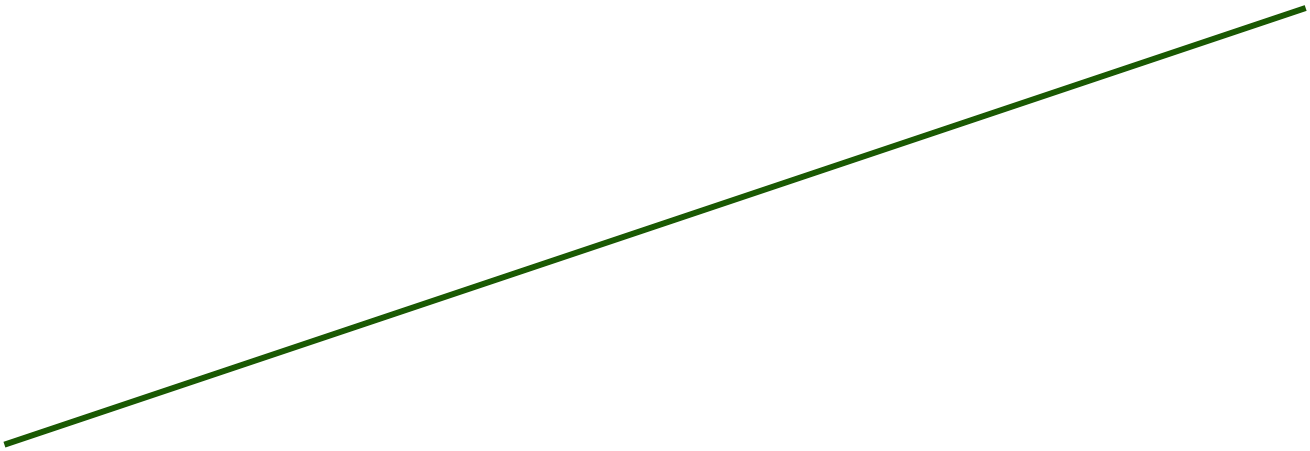
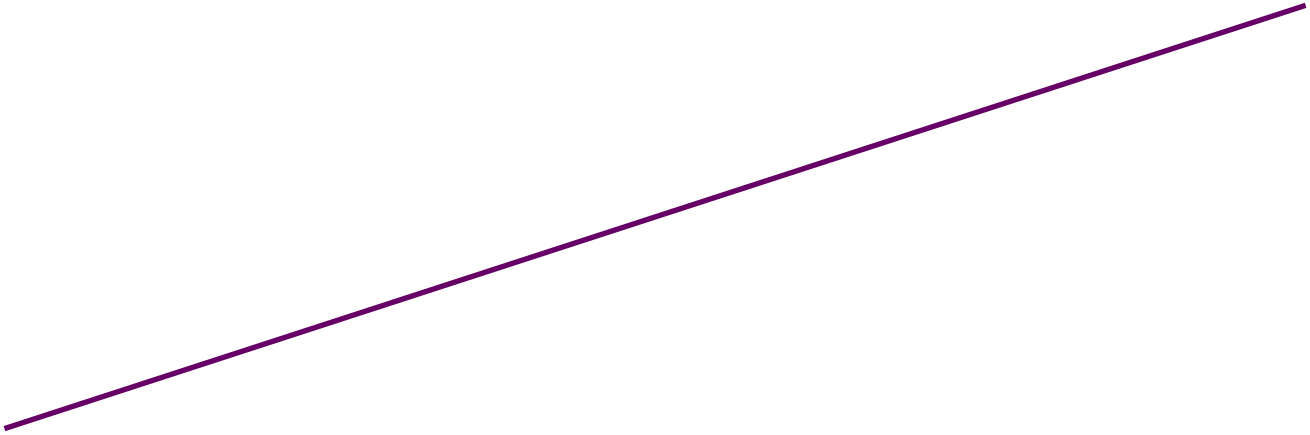




$$(a + b)(Tr - Tx)$$









$$C = A + MPCY$$

# Aggregate Expenditures



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

AE



A

+

I

+

G

+

NK



Total Production  $\equiv$  National Income



A:

Intercept

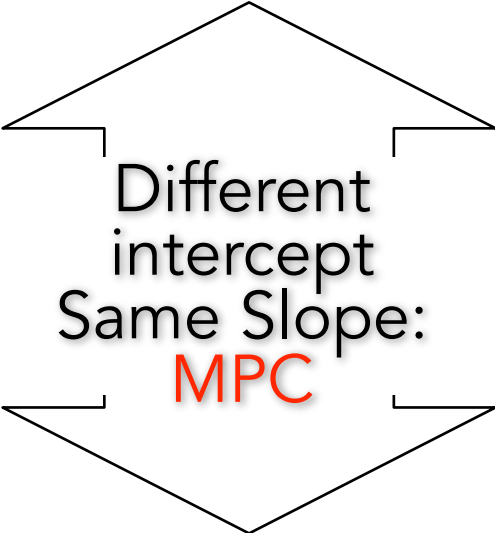
Consumption



Intercept

AE line





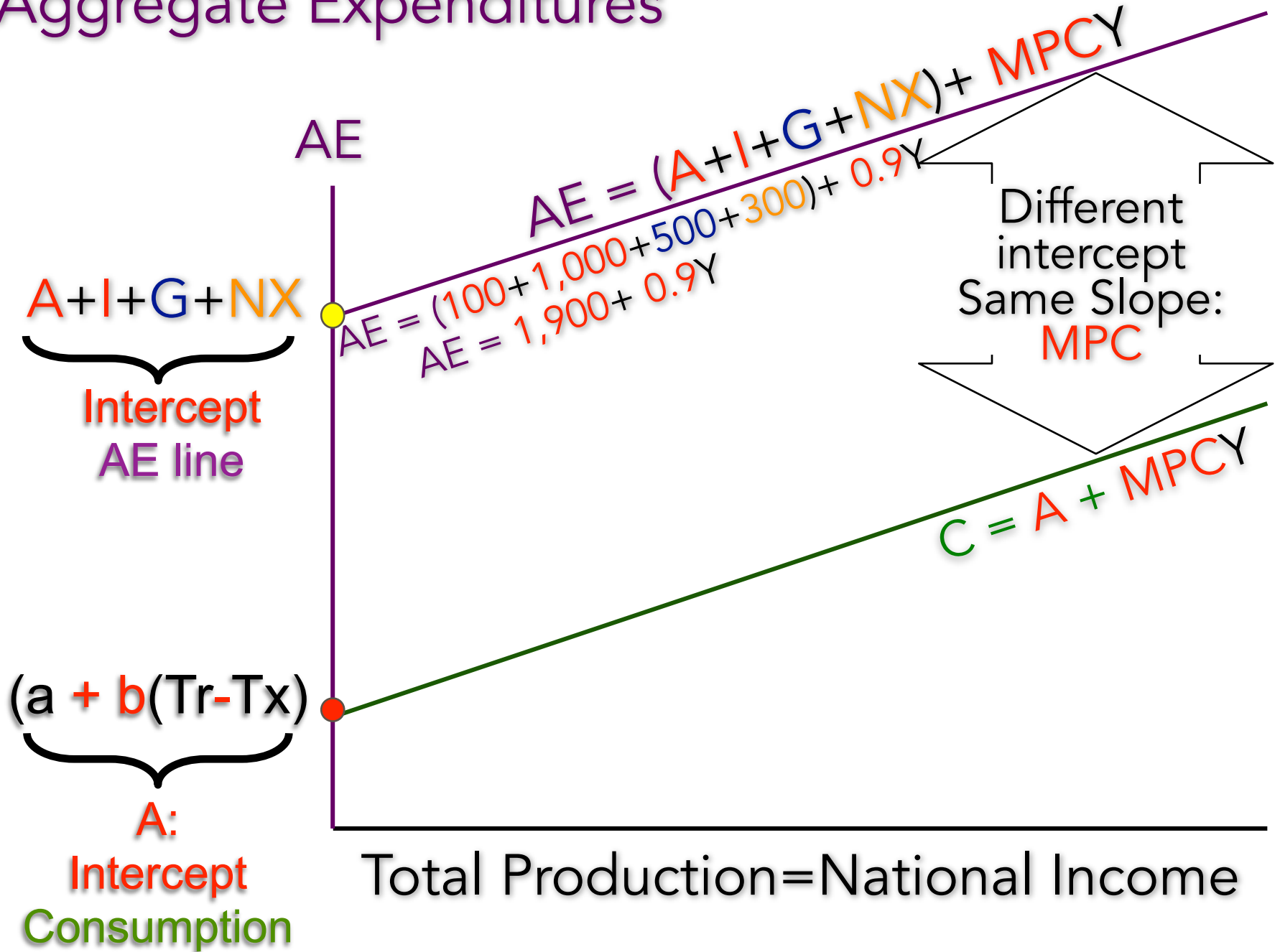
Different  
intercept  
Same Slope:  
MPC

$$C = 100 + 0.9Y$$

$$AE = (100 + 1,000 + 500 + 300) + 0.9Y$$

$$AE = 1,900 + 0.9Y$$

# Aggregate Expenditures



# Aggregate Expenditures

