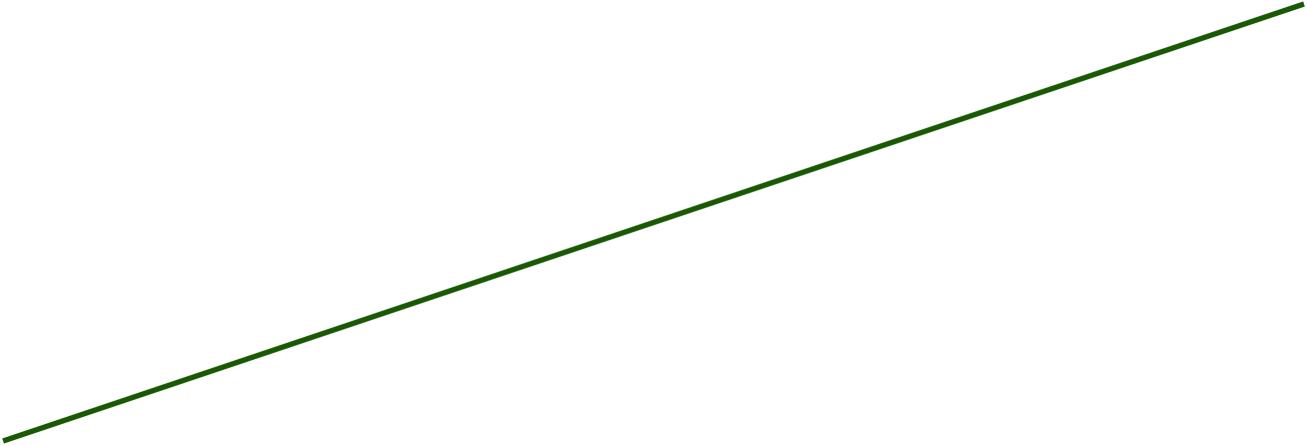
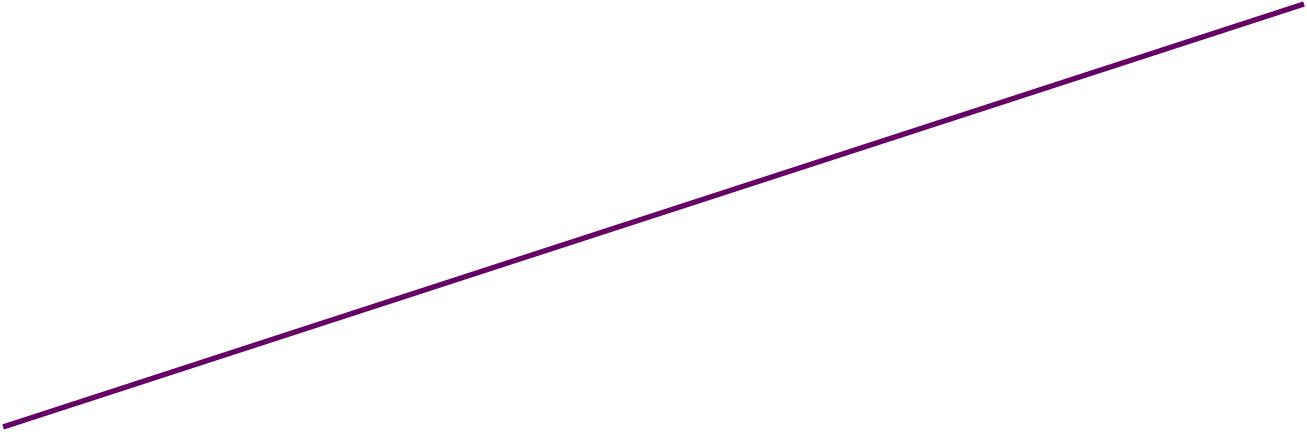
(a + b(Tr-Tx)









C = A + MPCY

Aggregate Expenditures

 $\Delta E = (A+1+G+NX)+MPCY$





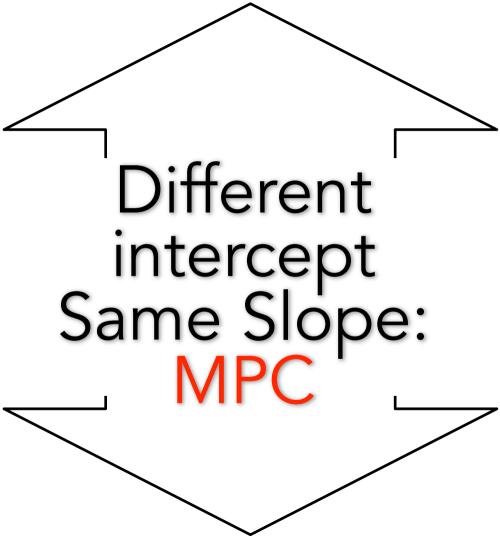




Total Production=National Income

A: Intercept Consumption

Intercept AE line



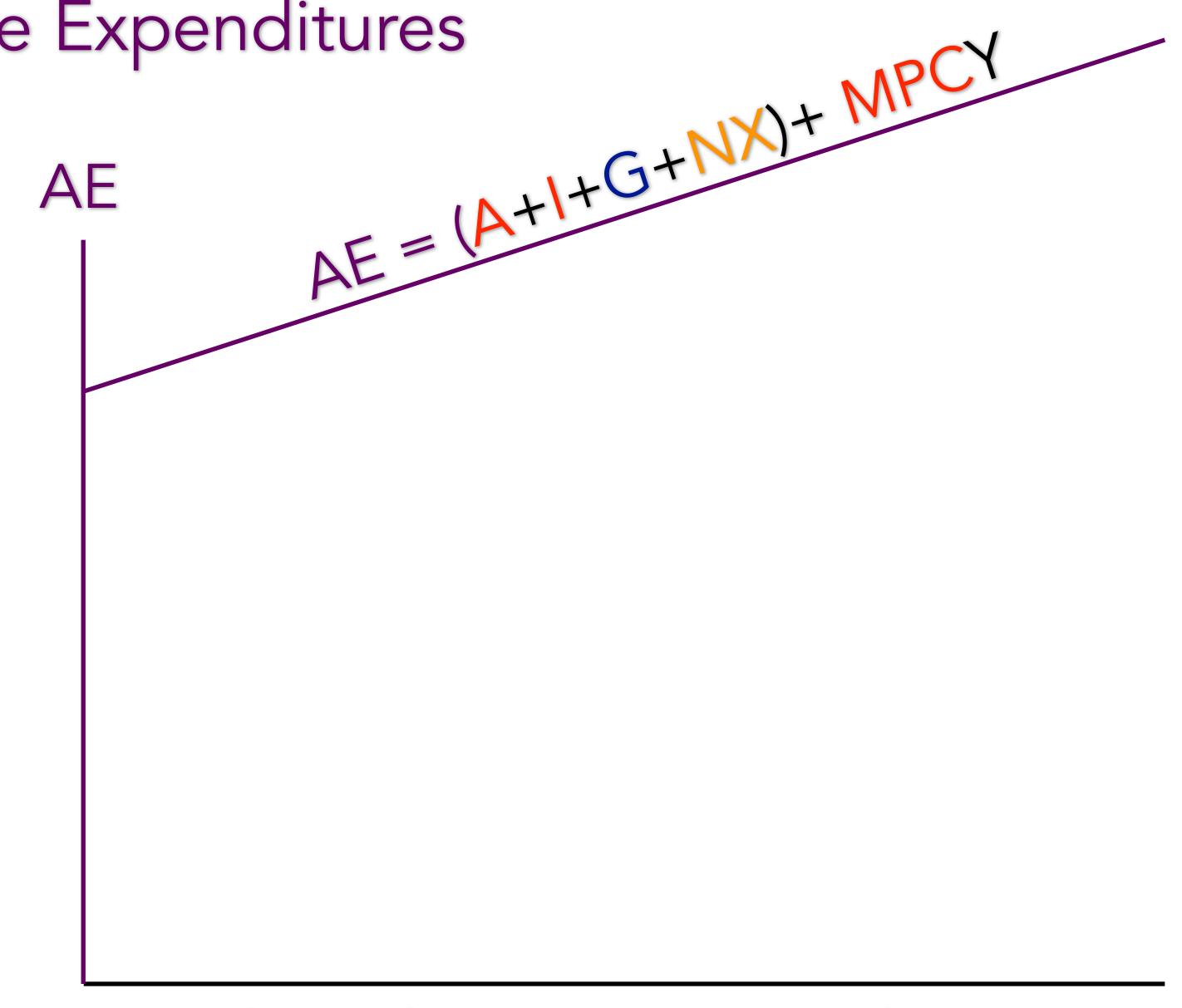
C = 100 + 0.9

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

 $\Delta E = 1.900 + 0.9$

$AE = \frac{(A+1+G+NX)+MPCY}{(A+1+G+NX)+0.9X}$ $AE = \frac{(100+1.000+500+300)+0.9X}{AE = 1.900+0.9Y}$ Aggregate Expenditures Different intercept Same Slope: MPC A+I+G+NXIntercept C=A+MPC **AE line** (a + b(Tr-Tx))Intercept Total Production=National Income Consumption

Aggregate Expenditures



Total Production=National Income