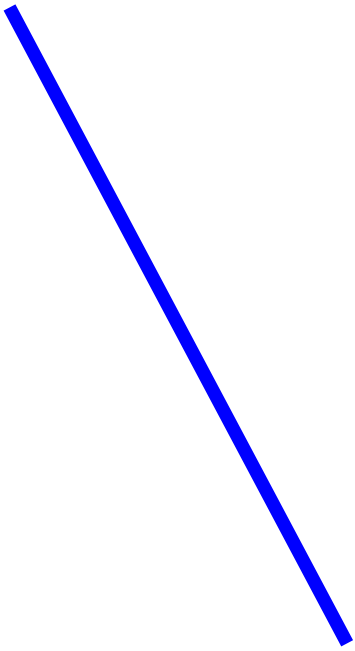


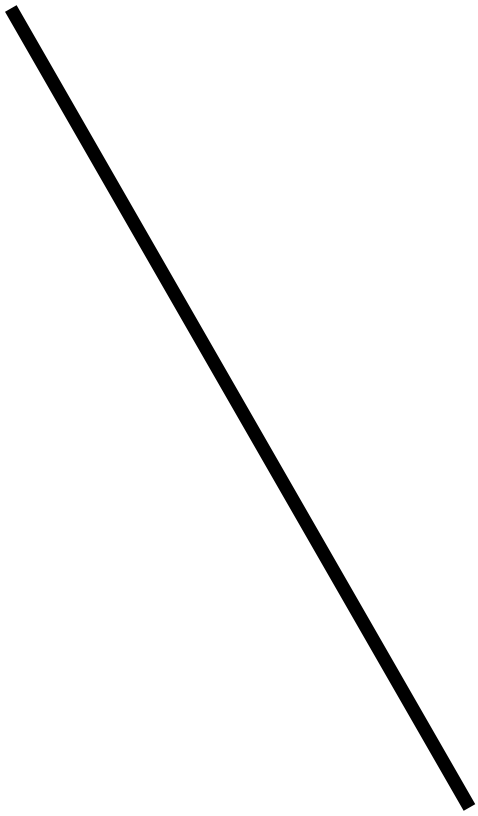


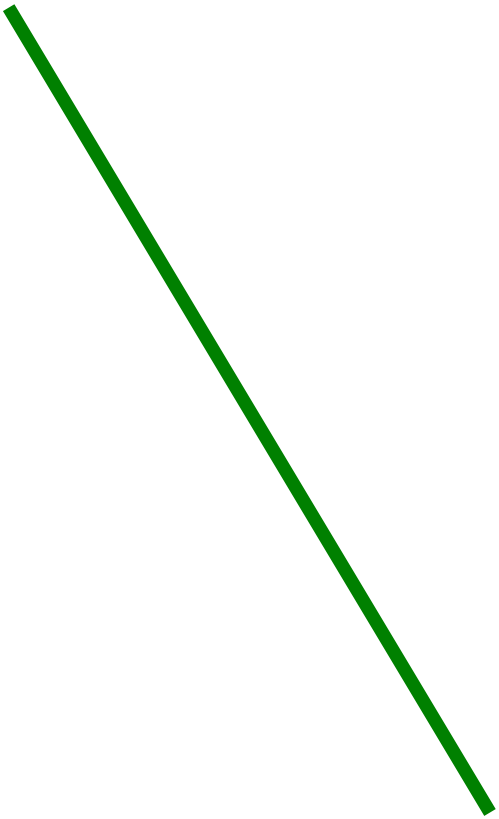
# Effect of Expansary Policy















**Output  
Increases by  
full multiplier**

**Prices do  
Not change**







**Principles**



**Output  
Increases by  
less than  
multiplier**



**Higher GDP: Less  
Unemployment and less  
excess capacity**

**Low GDP: Massive  
Unemployment and excess  
capacity**

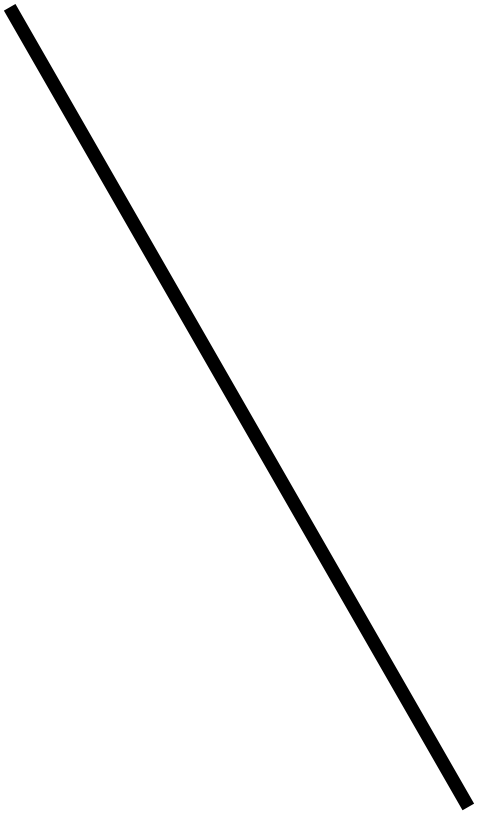




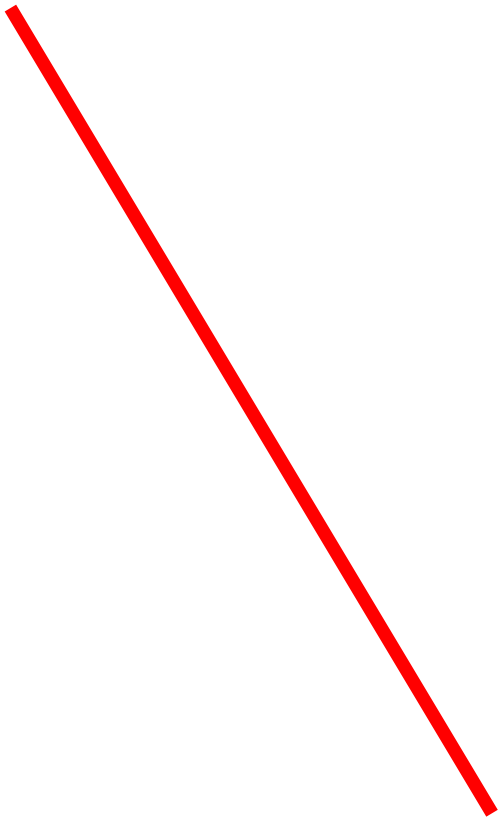




**At Full  
Employment:  
zero  
Unemployment,  
No Excess  
capacity**

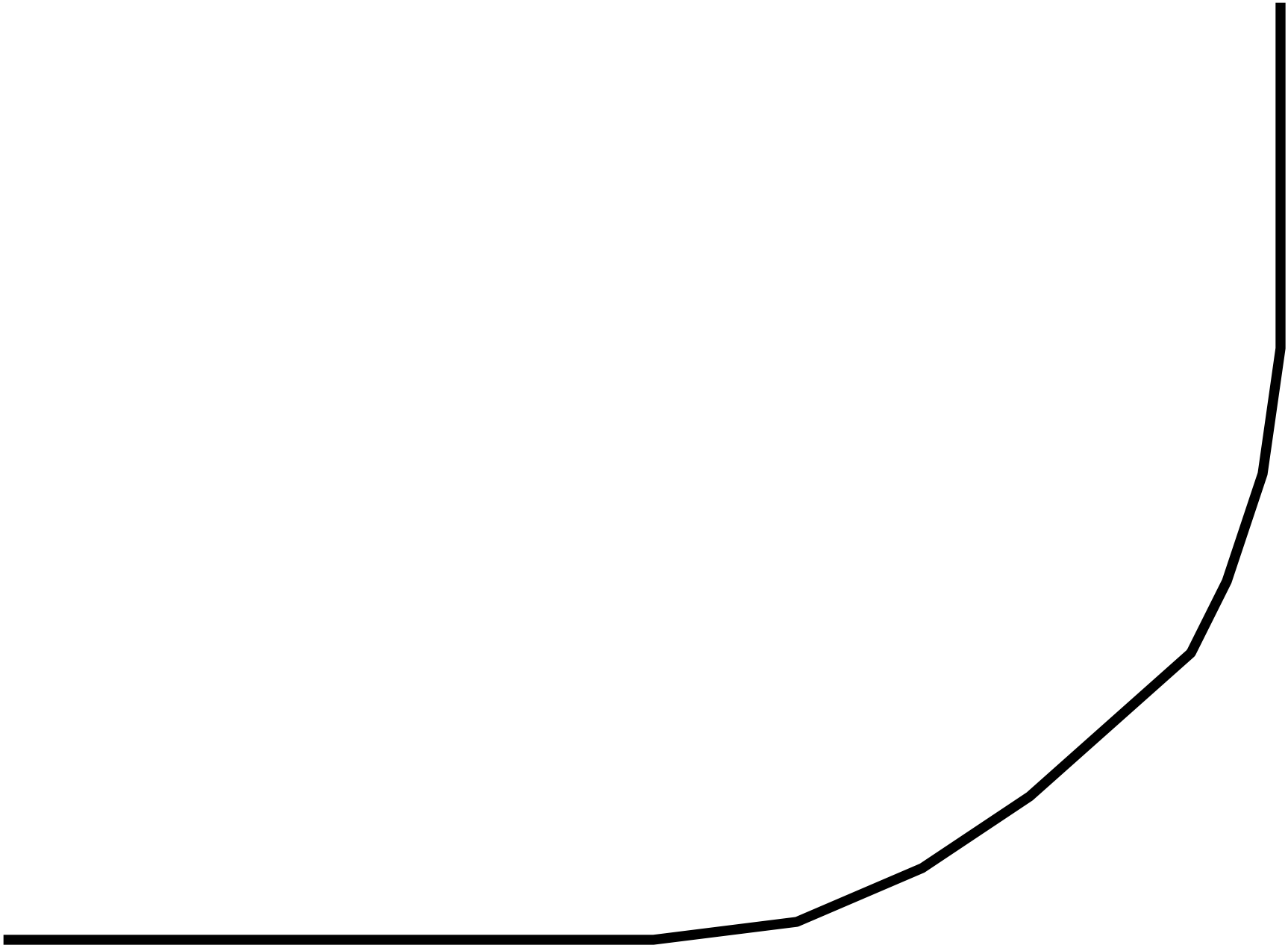






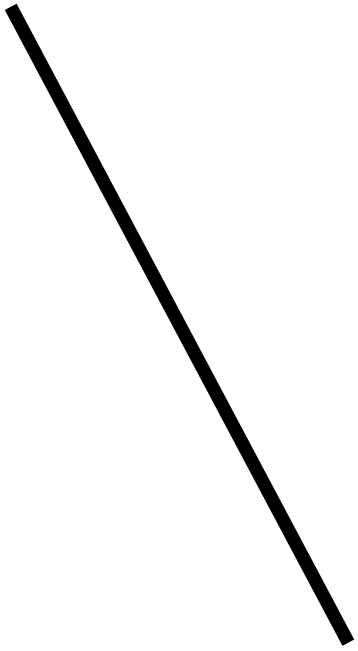
**Output can  
not  
increase  
NO  
multiplier  
effect**

























**Only Prices**

**rise**

