# The Components of Aggregate Expenditures

$C = \text{intercept} + MPC_x Y$

G= Fixed value

= Fixed value

M= Fixed value

We will use the following values for this example:

$$C = 100 + 0.9Y$$

G= 500 billion


= 1,000 billion

M= 500 billion

# Exports(X) do NOT depend on U.S. Income:

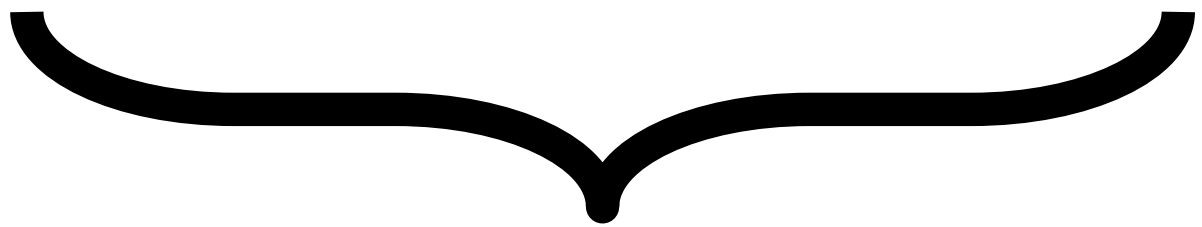
X= 800 billion

# Net Exports(X-M) do NOT depend on Income:

NX= 800 - 500 = 300

X= Fixed value

$$C = (a + b(Tr - Tx) + bY$$


Intercept:A

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Intercept:A

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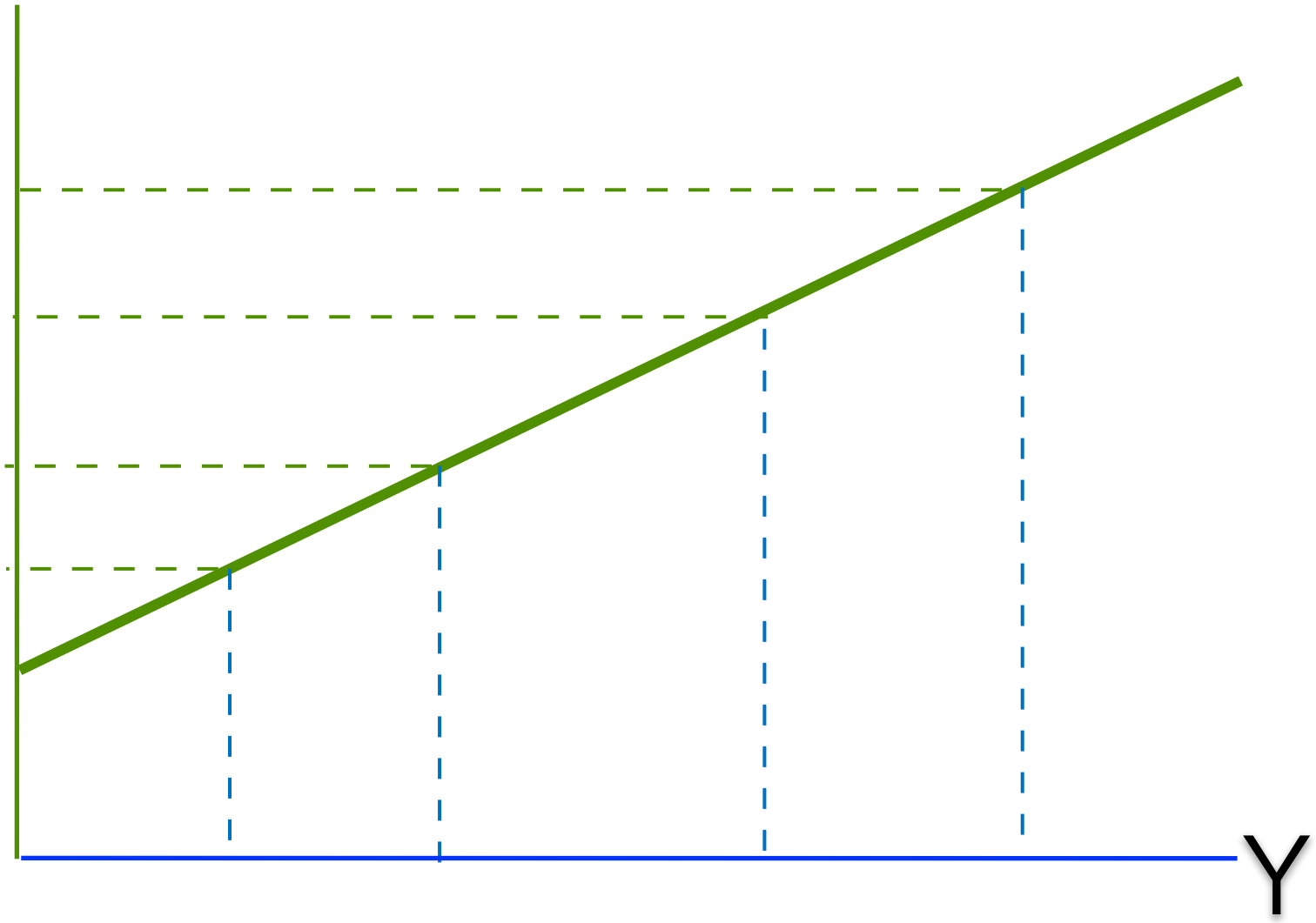
Y