

AG

$$\Delta Y = \Delta G$$

$$\Delta C \equiv \Delta Y \text{ (MPC)}$$

Change in Consumption

Change in Deficit

Δ Deficit $\equiv \Delta G - \Delta T$



$$\Delta Y = \Delta T$$

NC

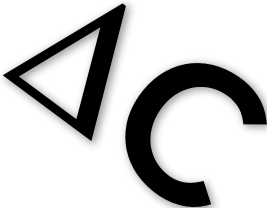
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NY

Spendings Multiplier

Tax Multiplier





ΔNK

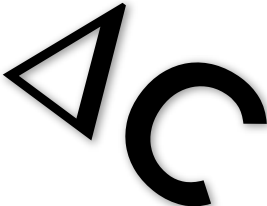
$$\left(\frac{-(MPC)}{(MPS)} \right)$$

$$\left(\frac{1}{1 - \text{MPC}} \right)$$

Change in Equilibrium GDP

$$\left(\frac{-(MPC)}{(MPS)} \right)$$

NI



MX

$$\Delta NX \quad \Delta G \quad \Delta I \quad \Delta C$$

Spending Multiplier

$$\left(\frac{1}{1 - MPC} \right)$$

Change in Equilibrium GDP

$$\Delta T$$

Tax Multiplier

$$\left(\frac{-(MPC)}{(MPS)} \right)$$

$$\Delta Y = \Delta G \left(\frac{1}{1 - MPC} \right) \quad \Delta Y = \Delta T \left(\frac{-(MPC)}{(MPS)} \right)$$

Change in Consumption

$$\Delta C = \Delta Y (MPC)$$

$$\Delta C = \Delta Y$$

Change in Deficit

$$\Delta \text{Deficit} = \Delta G - \Delta T$$

Fiscal Policy