



Aggregate Expenditures

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

AE

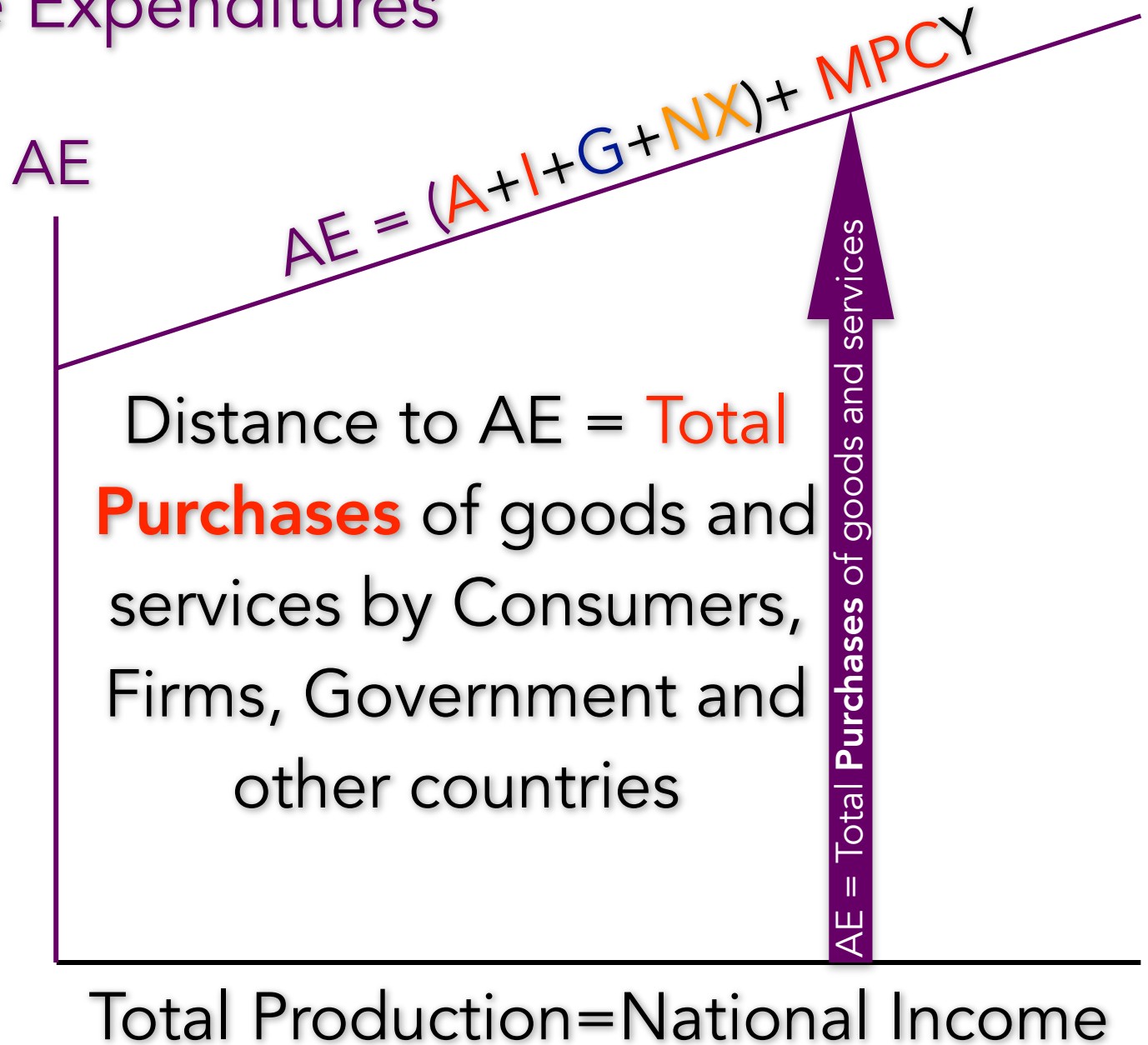
Total Production \equiv National Income

Distance to AE = **Total Purchases** of goods and services by Consumers, Firms, Government and other countries



AE = Total **Purchases** of goods and services

Aggregate Expenditures





Total Production=National Income