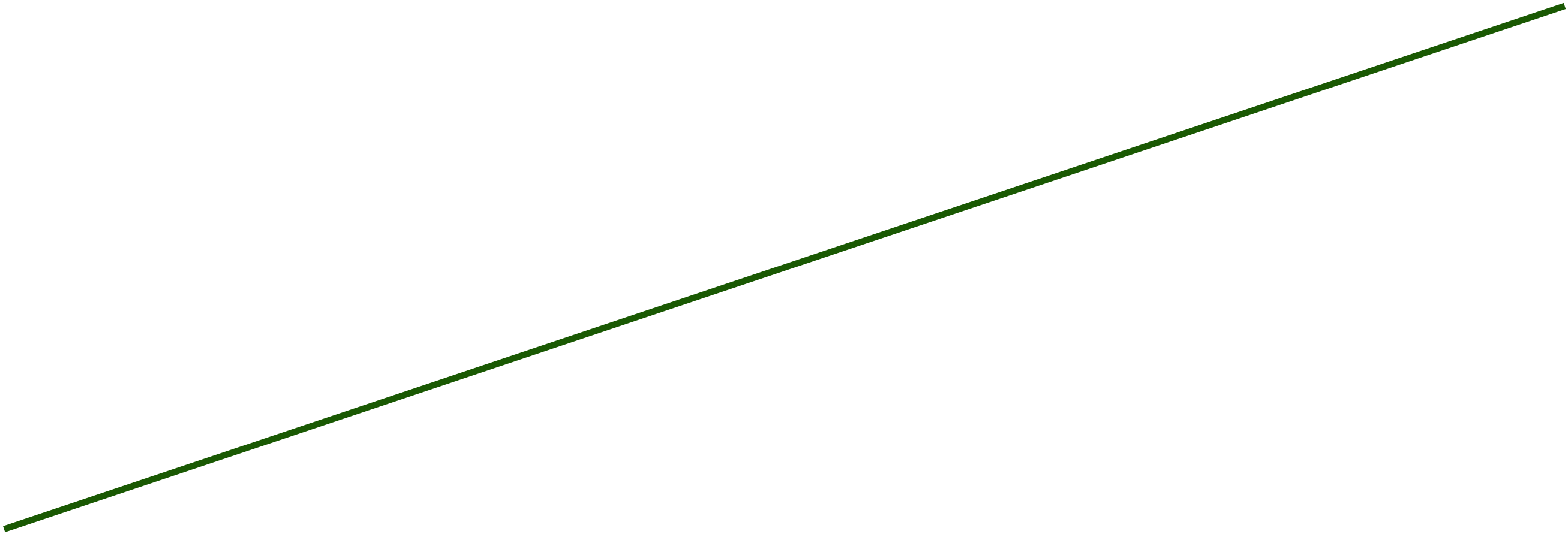




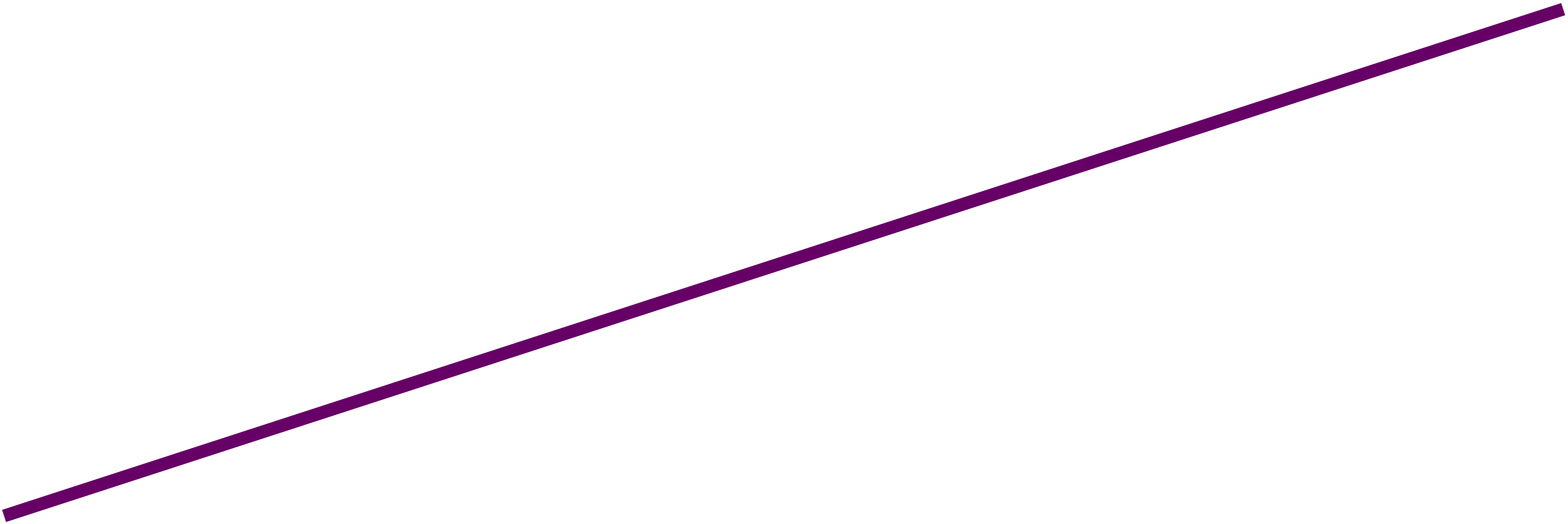
$(a + MPC(r - Tx))$







$I = 1000$





$G = 500$







$NX =$

300

$Y = 5,000$

$$C = 100 + 0.9Y$$



$C = 9,100$



$I = 1000$



$G = 500$

$Y = 10,000$



$C = 17,200$





$G = 500$

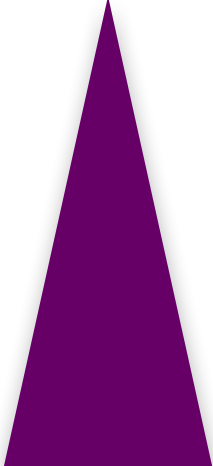


$NX =$

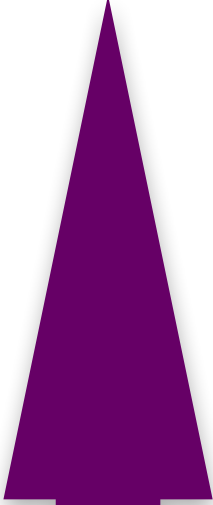
300

$Y = 19,000$

AE = 10,900



AE = 19,000




$$C = 4600$$

$$AE = 4,600 + 1,000 + 500 + 300 = 6,400$$







1. **Introduction**

2. **Methodology**

2

5



0

0

0











National  
Income

# Aggregate Expenditures

: Total Purchases for each value of  $Y/GDP$



Aggregate Expenditures





$G = 500$



$NX =$

300

AE  $\equiv$  C + I + G + N + X


$$C = 22,600$$

$$AE = 24,400$$





$I = 1000$



A



A + I + G + N X



1 = 1000

G = 500

$NX = 300$

Total Production = National Income

GDP = Y

Y



**AE**

$Y = 25,000$

# Aggregate Expenditures

