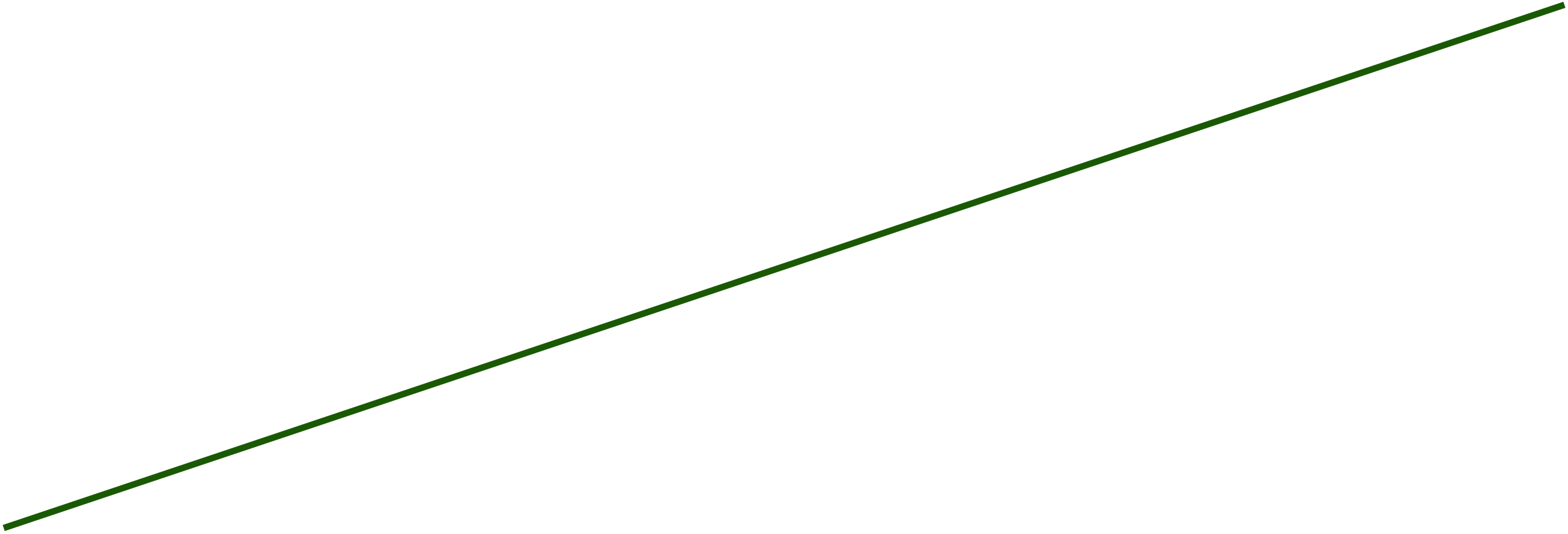
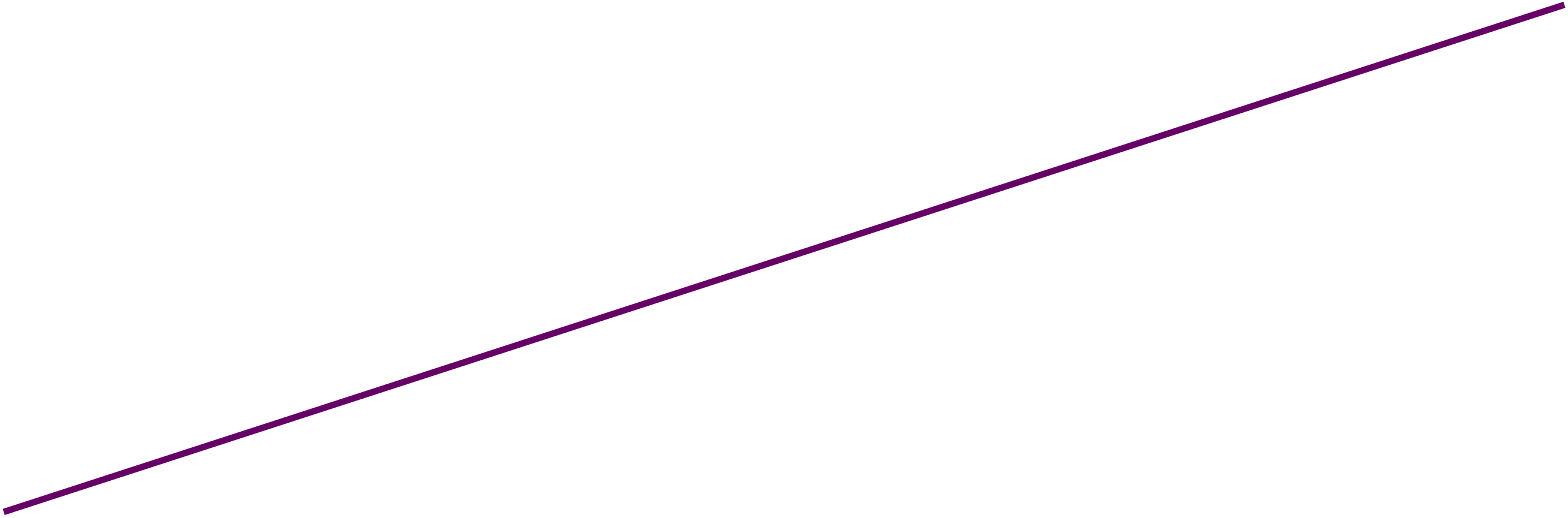


(a + MPC)(Tr-Tx)









$$C = A + MPCY$$

Aggregate Expenditures

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

AE



A + I + G + NX





A:

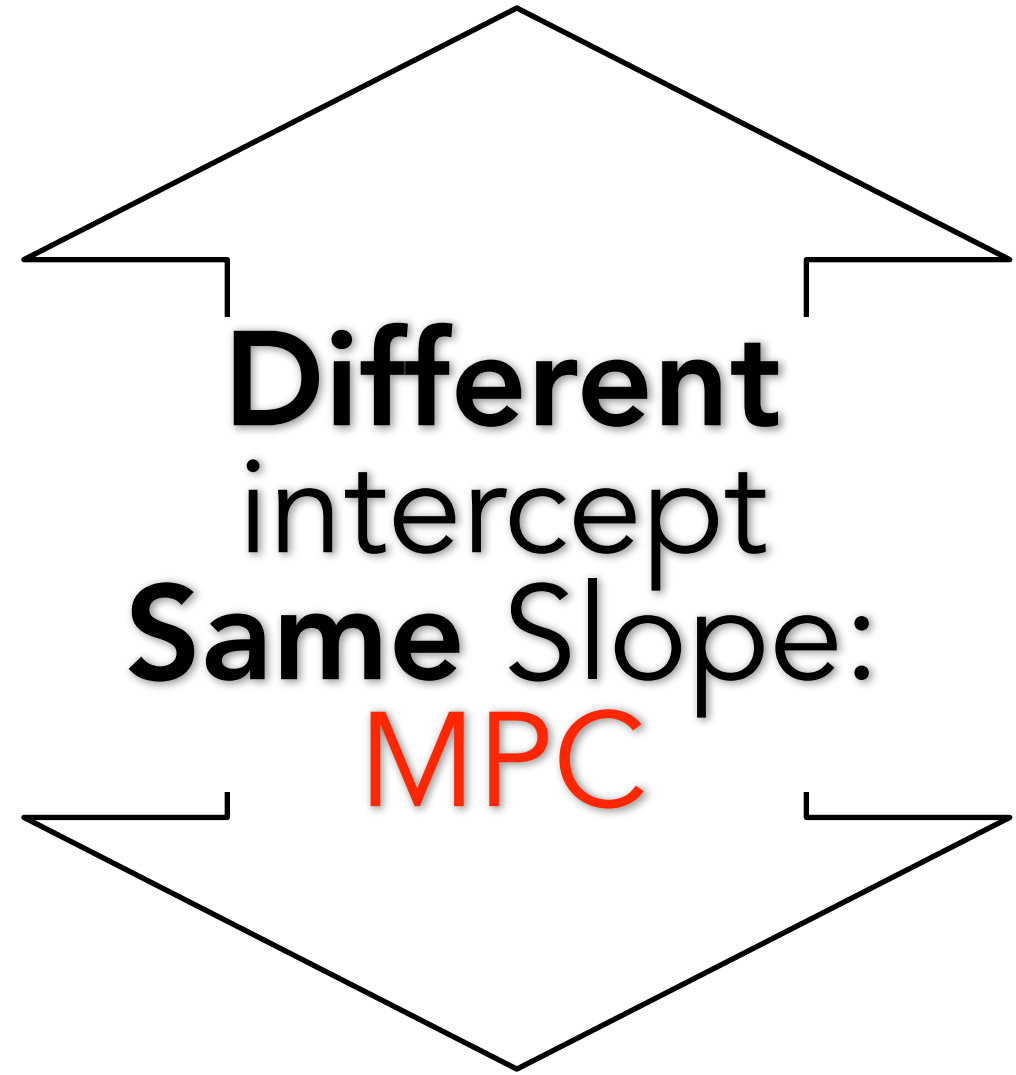
Intercept

Consumption



Intercept

AE line



Different
intercept
Same Slope:
MPC

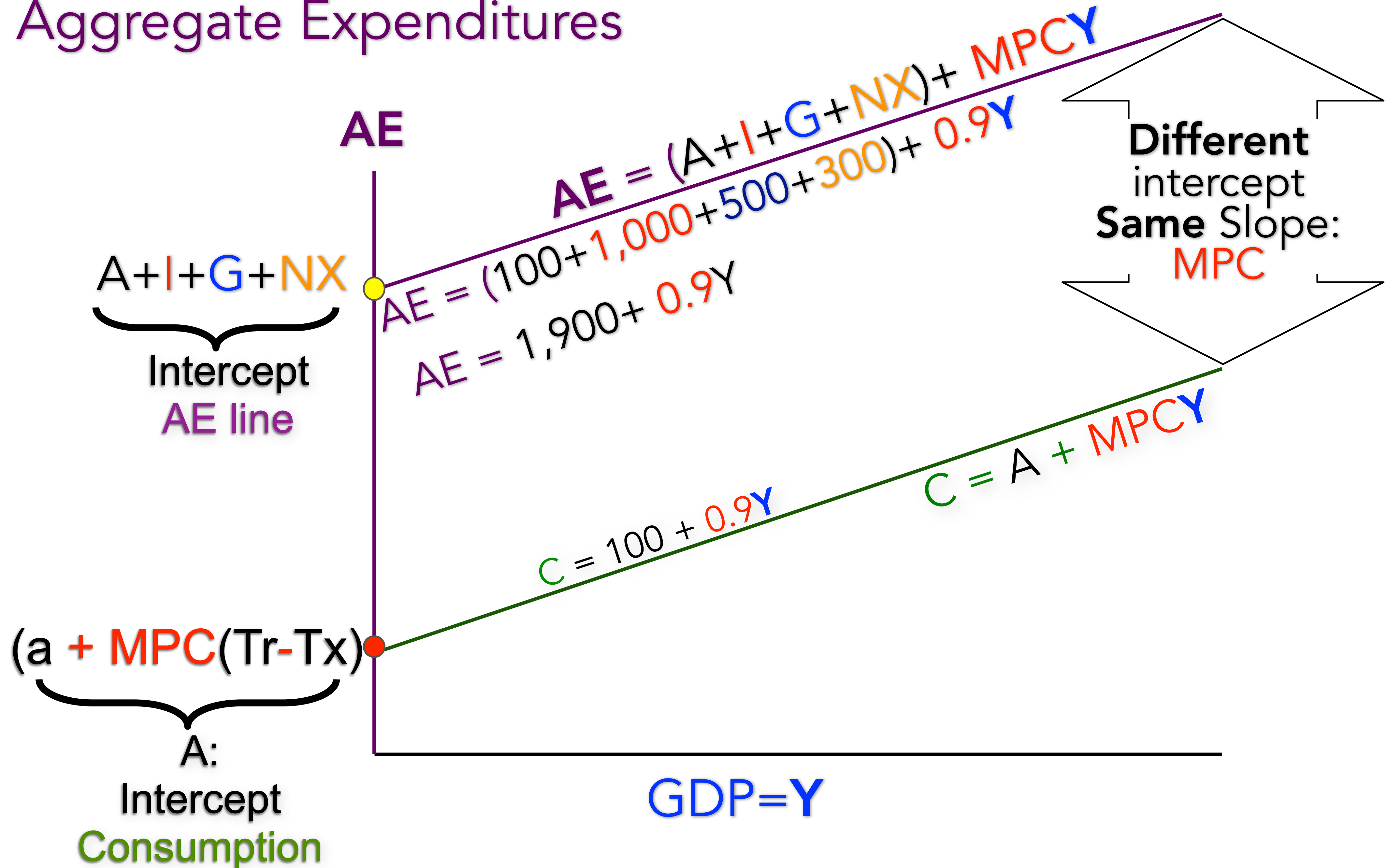
$$C = 100 + 0.9Y$$

$$AE = (100 + 1,000 + 500 + 300) + 0.9Y$$

$$AE = 1,900 + 0.9Y$$

GDP = Y

Aggregate Expenditures



Aggregate Expenditures

