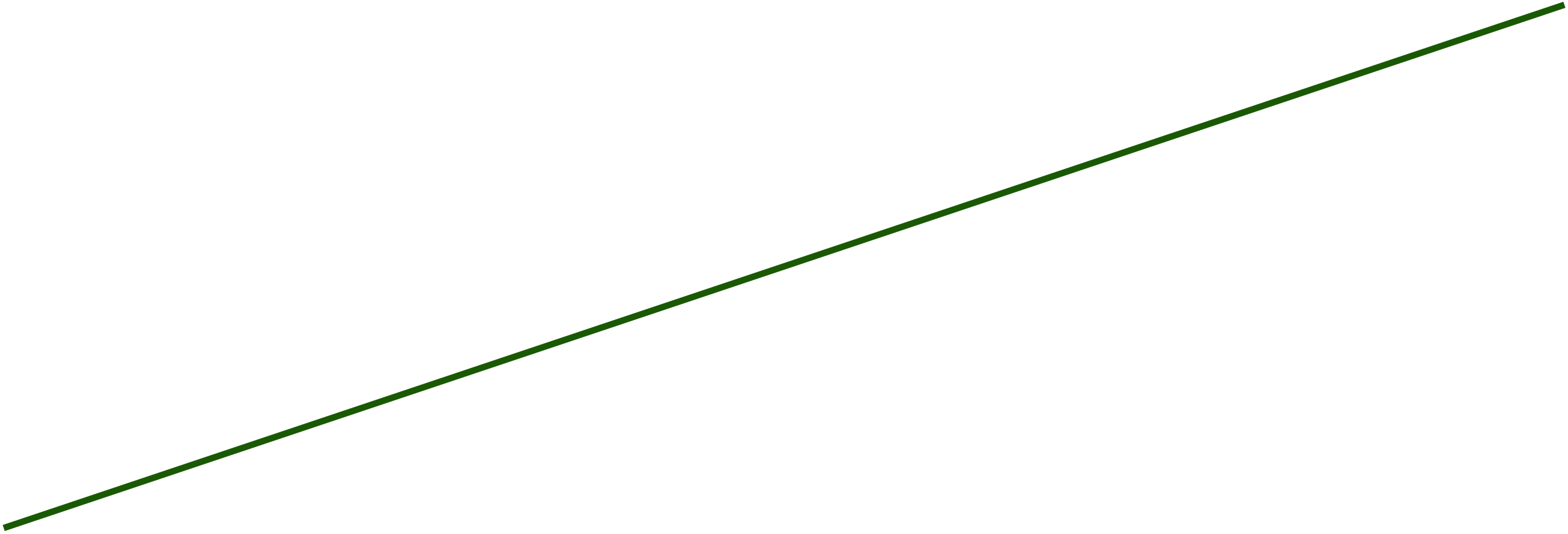
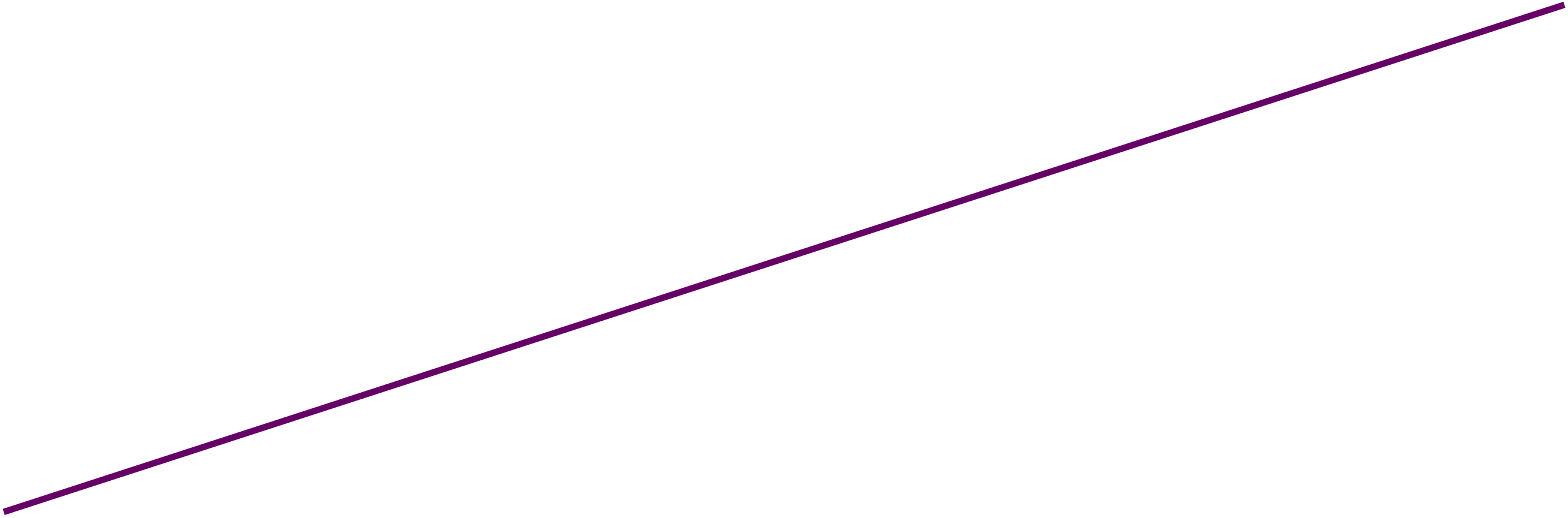




a









$$C = a + MPCY$$

# Aggregate Expenditures (AE)



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

AE



a + | + G + NX

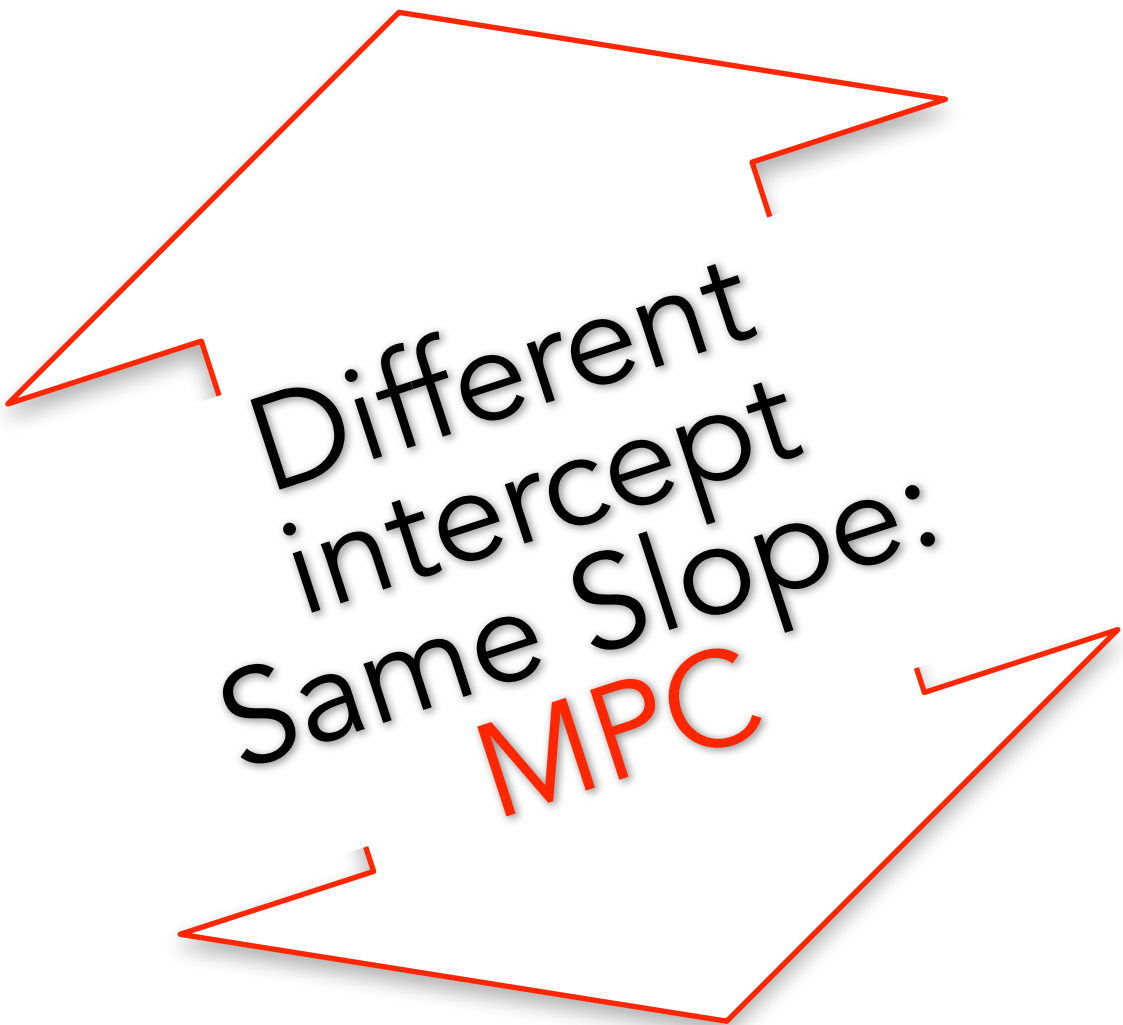


Total Production = National Income



Intercept

AE line



Different  
intercept  
Same Slope:  
**MPC**

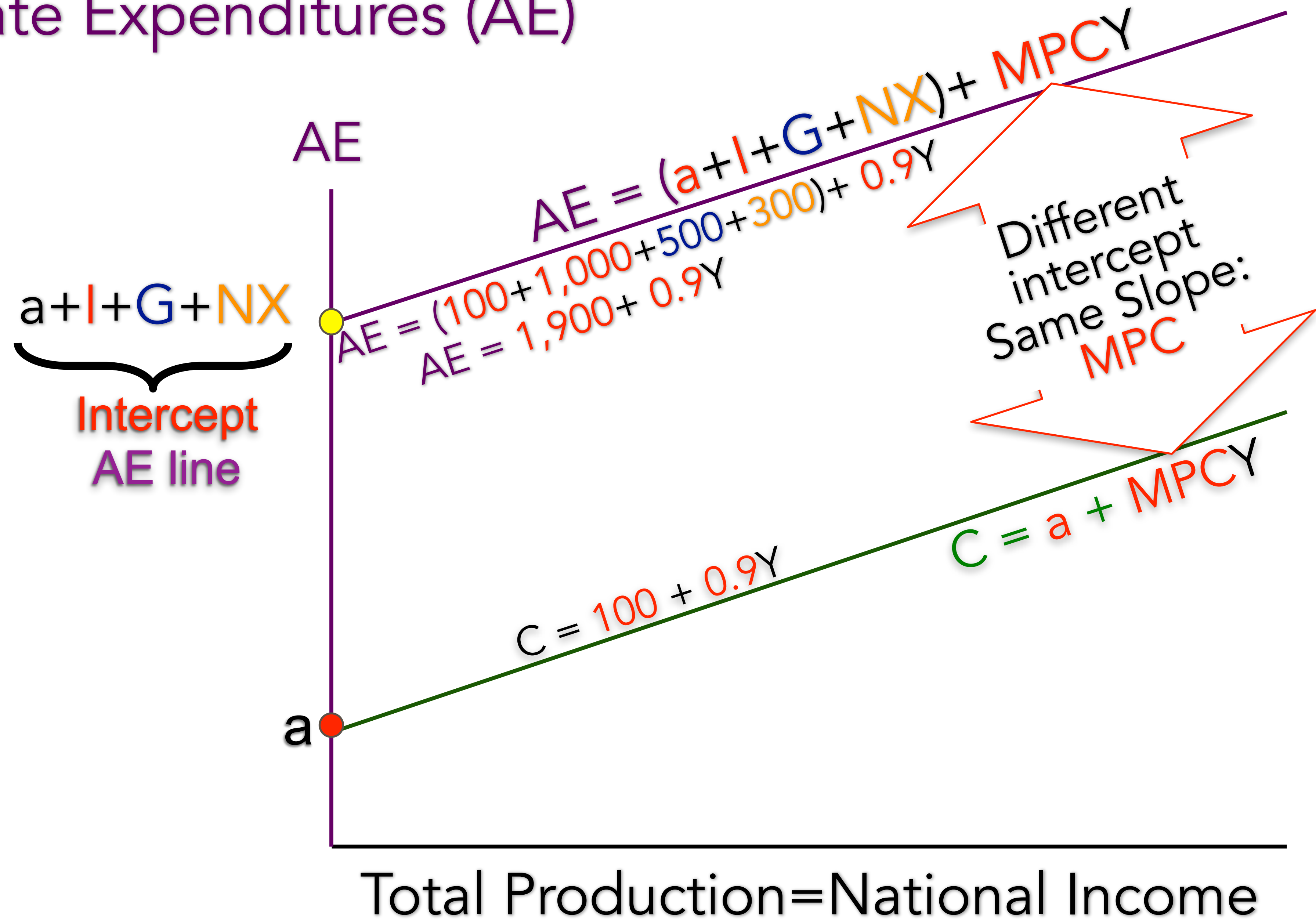


$$C = 100 + 0.9Y$$

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

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

# Aggregate Expenditures (AE)



# Aggregate Expenditures

