



c = a + MPCY

Aggregate Expenditures (AE)

AE = (a+1+G+NX)+MPCY



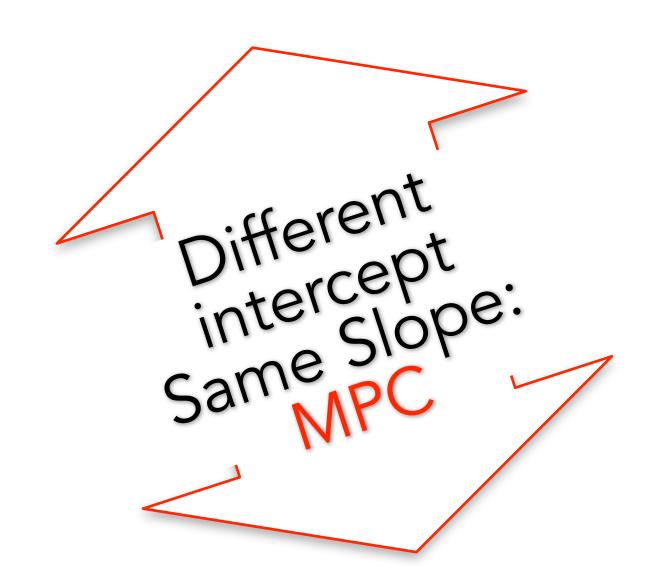






Total Production=National Income

Intercept **AE line**



C = 100 + 0.9

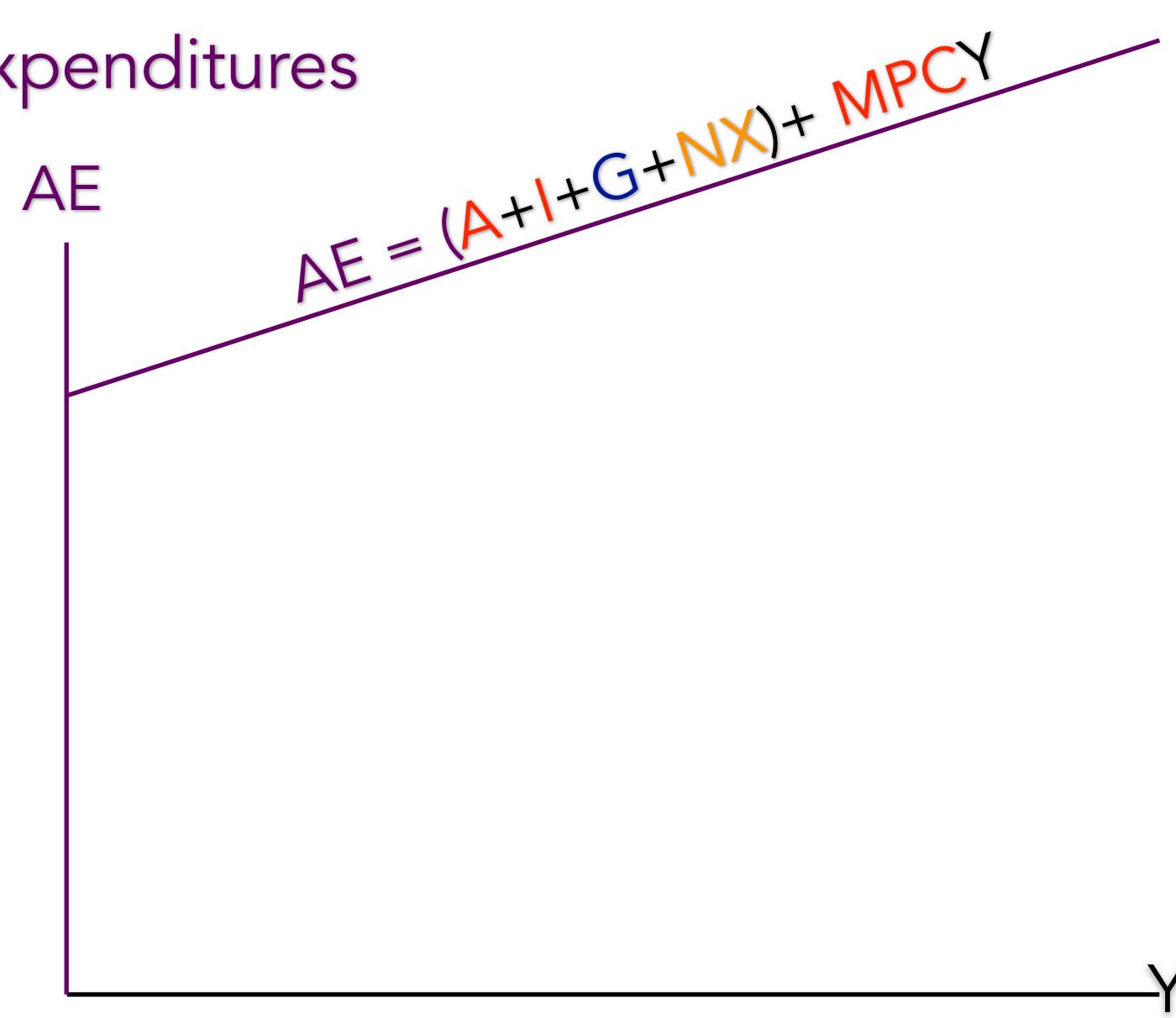
AE = (100+1,000+500+300)+0.9Y

 $\Delta E = 1.900 + 0.9Y$

$AE = \frac{(a+1+G+NX)+MPCY}{(a+1+G+NX)+0.9Y}$ $AE = \frac{(100+1,000+500+300)+0.9Y}{AE = 1,900+0.9Y}$ Aggregate Expenditures (AE) Different intercept Same slope: a+I+G+NXIntercept C=a+MPCY **AE line** C = 100 + 0.9Ya

Total Production=National Income

Aggregate Expenditures



Total Production=National Income