

An increase in Government Spending results
in higher GDP and higher Prices

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graph TD; A[ ] --> B[Growth]; A --> C[Inflation]; B --> D[Lower Unemployment];
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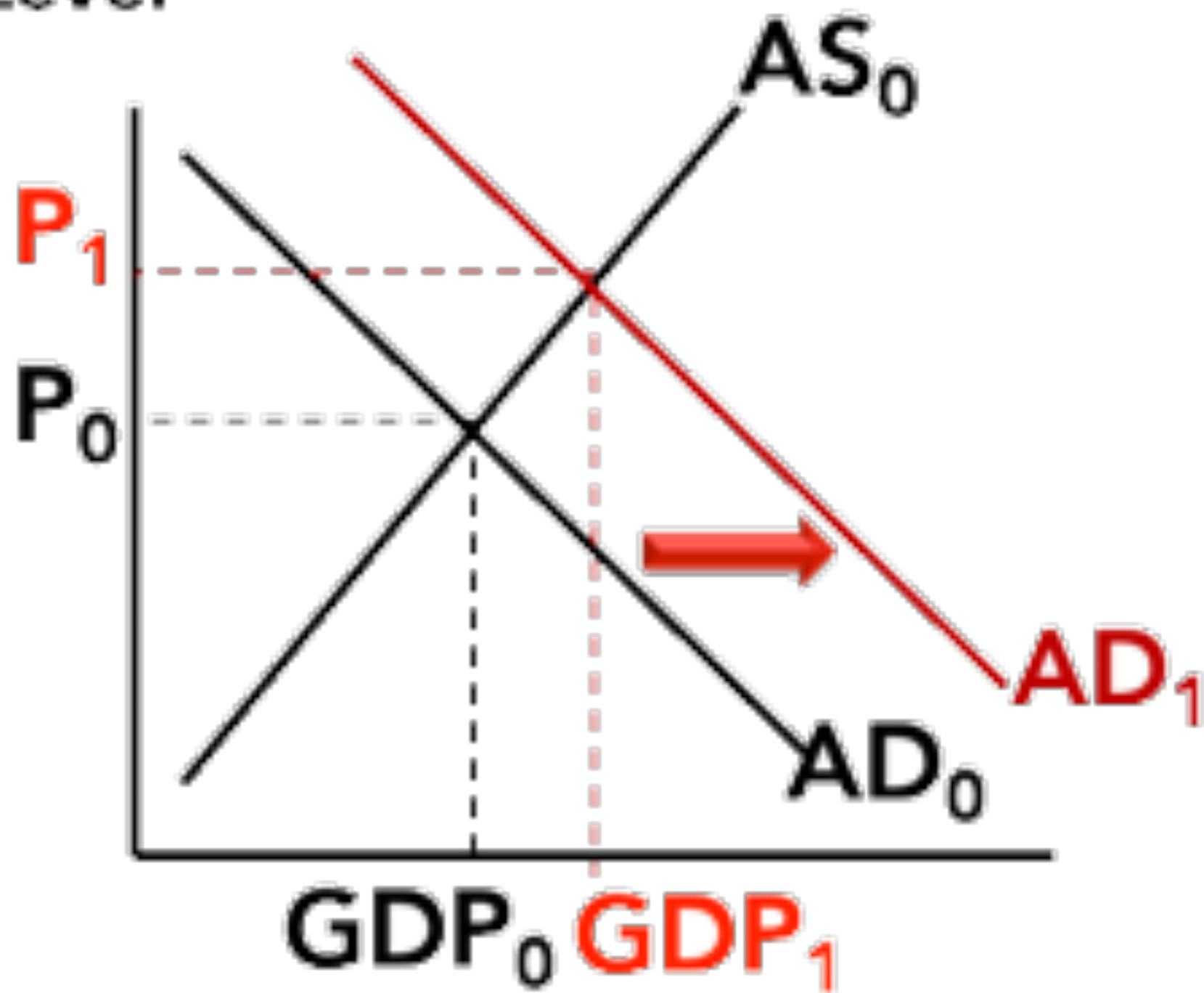
Growth

Inflation

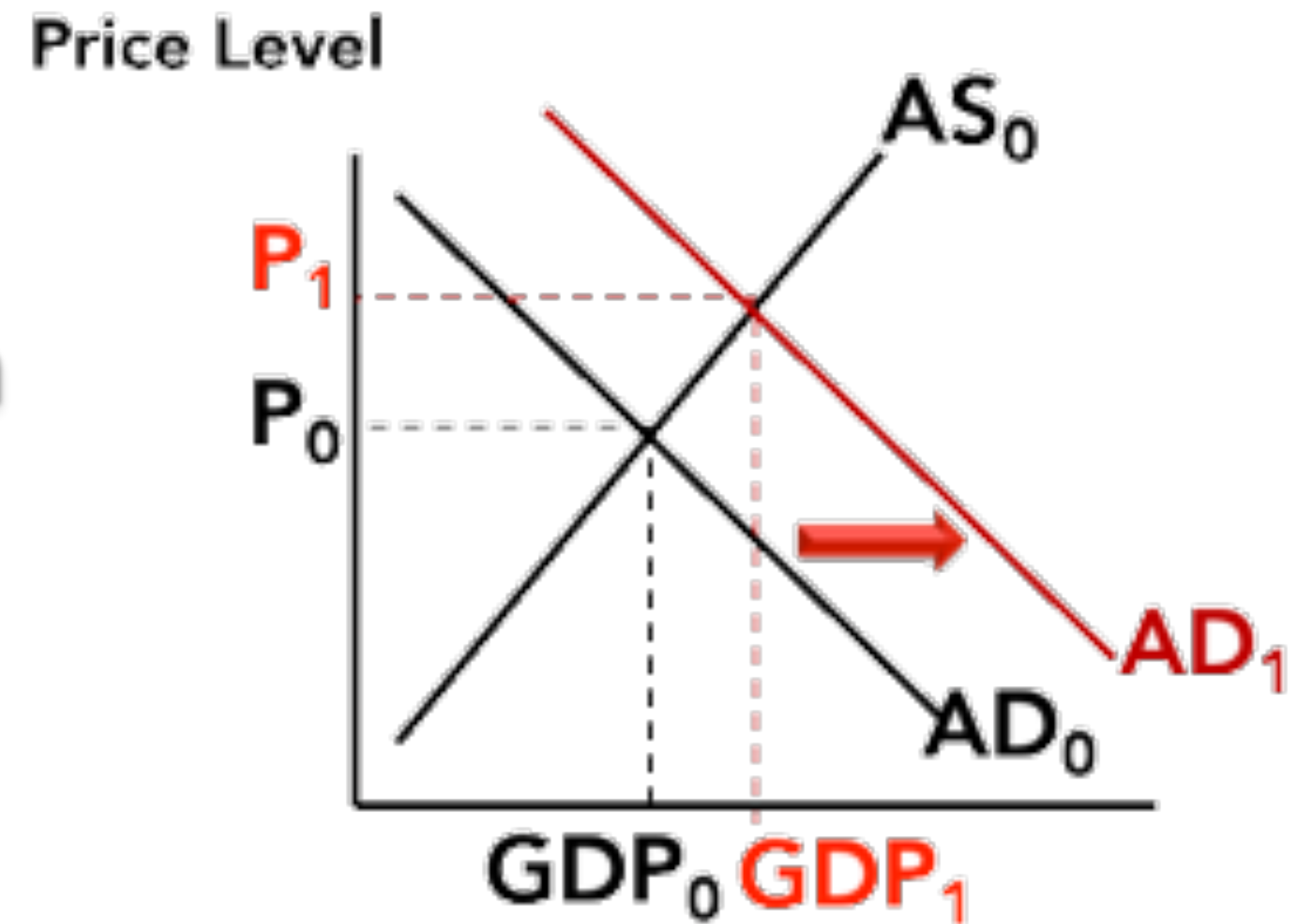
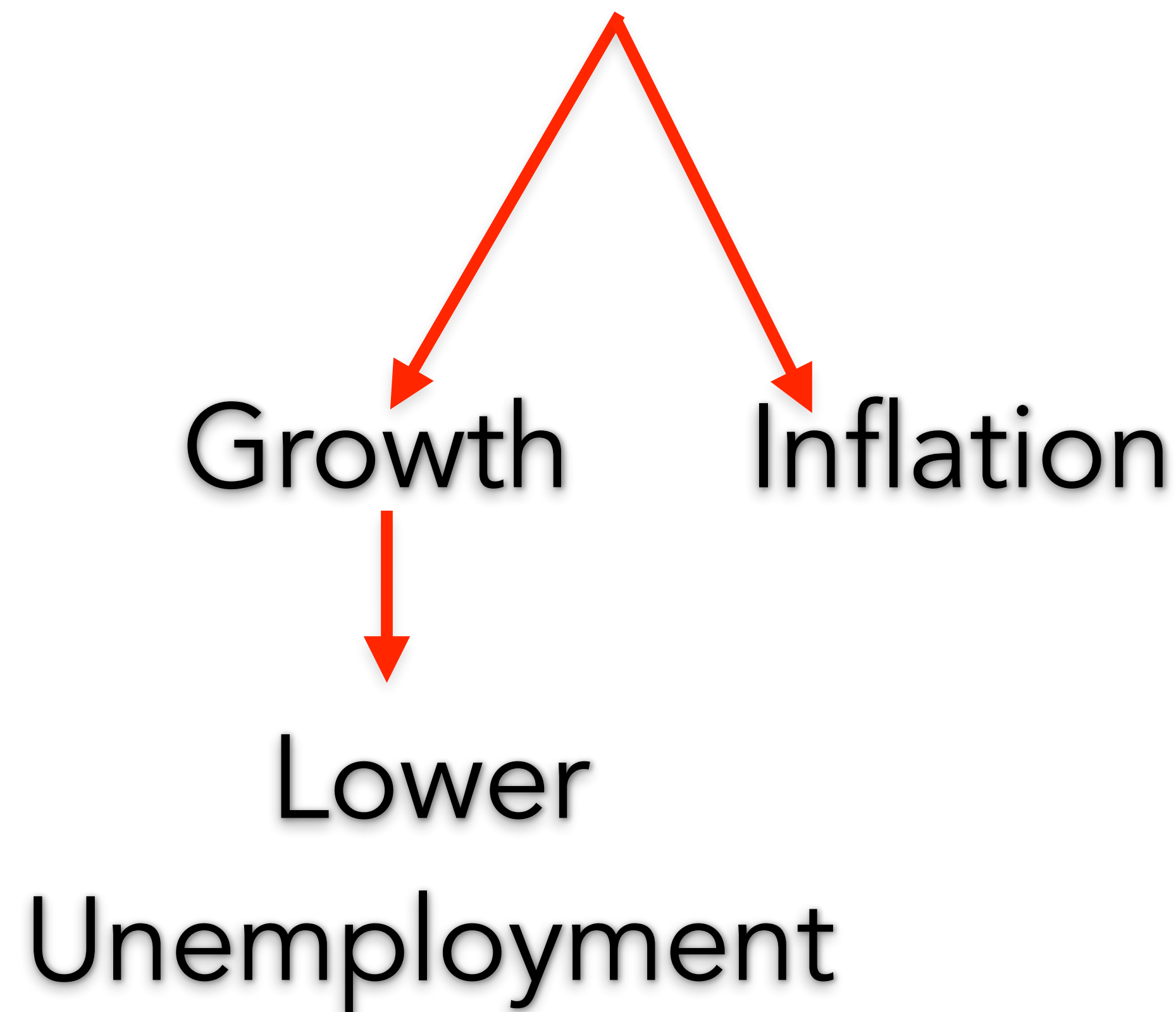
Lower

Unemployment

Price Level



An increase in Government Spending results
in higher GDP and higher Prices



An decrease in Government Spending results
in lower GDP and lower Prices