## INTRODUCING THE GOVERNMENT

### Consumers pay taxes to the Government and receive Transfers from the Government

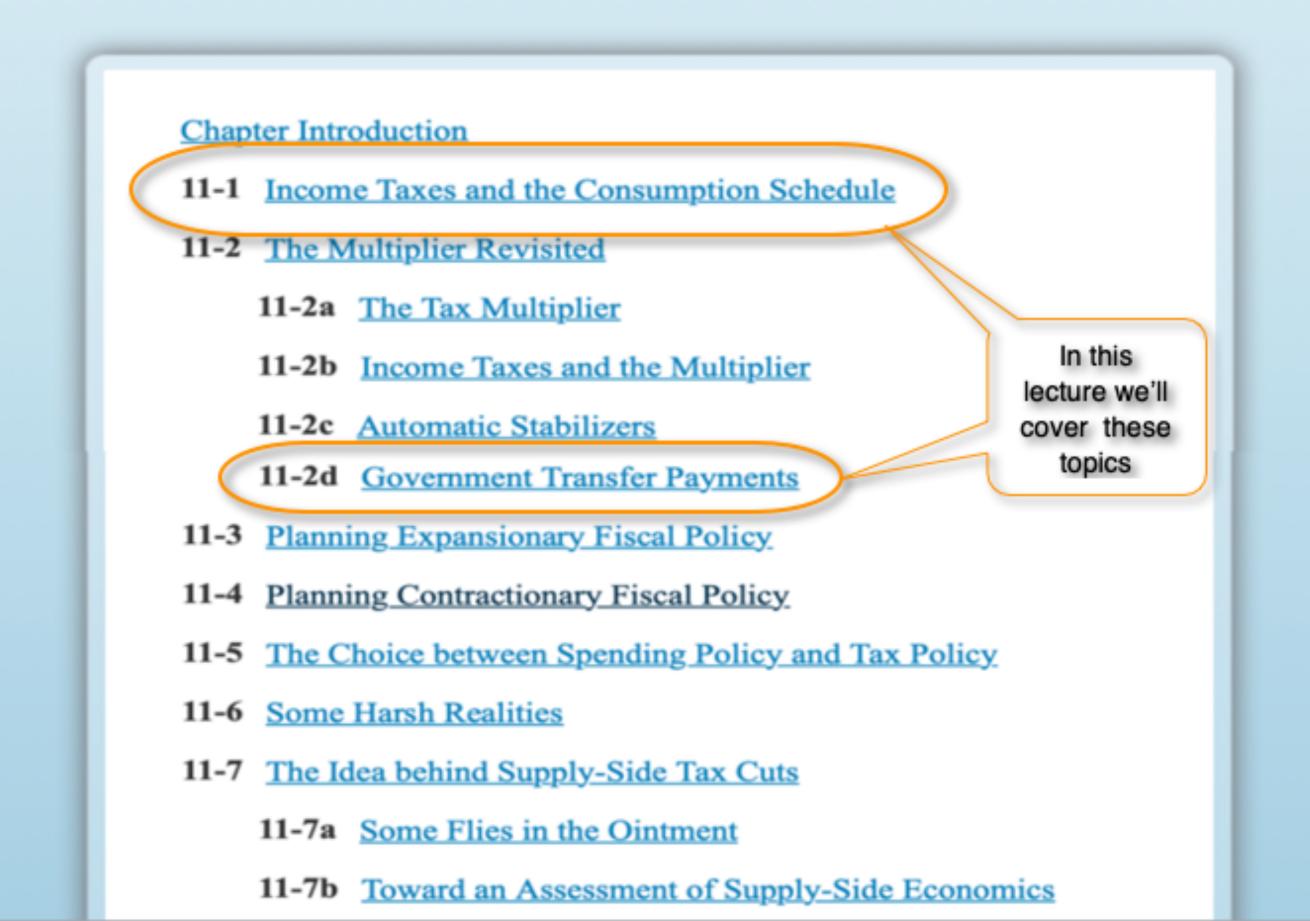
#### Consumer's Income available to buy goods and services = Income (Y) -Taxes(Tx) + Transfers(Tr)

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# Managing Aggregate Demand: Fiscal Policy



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Adaptive Test I