



# Aggregate Expenditures

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

AE

Total Production = National Income



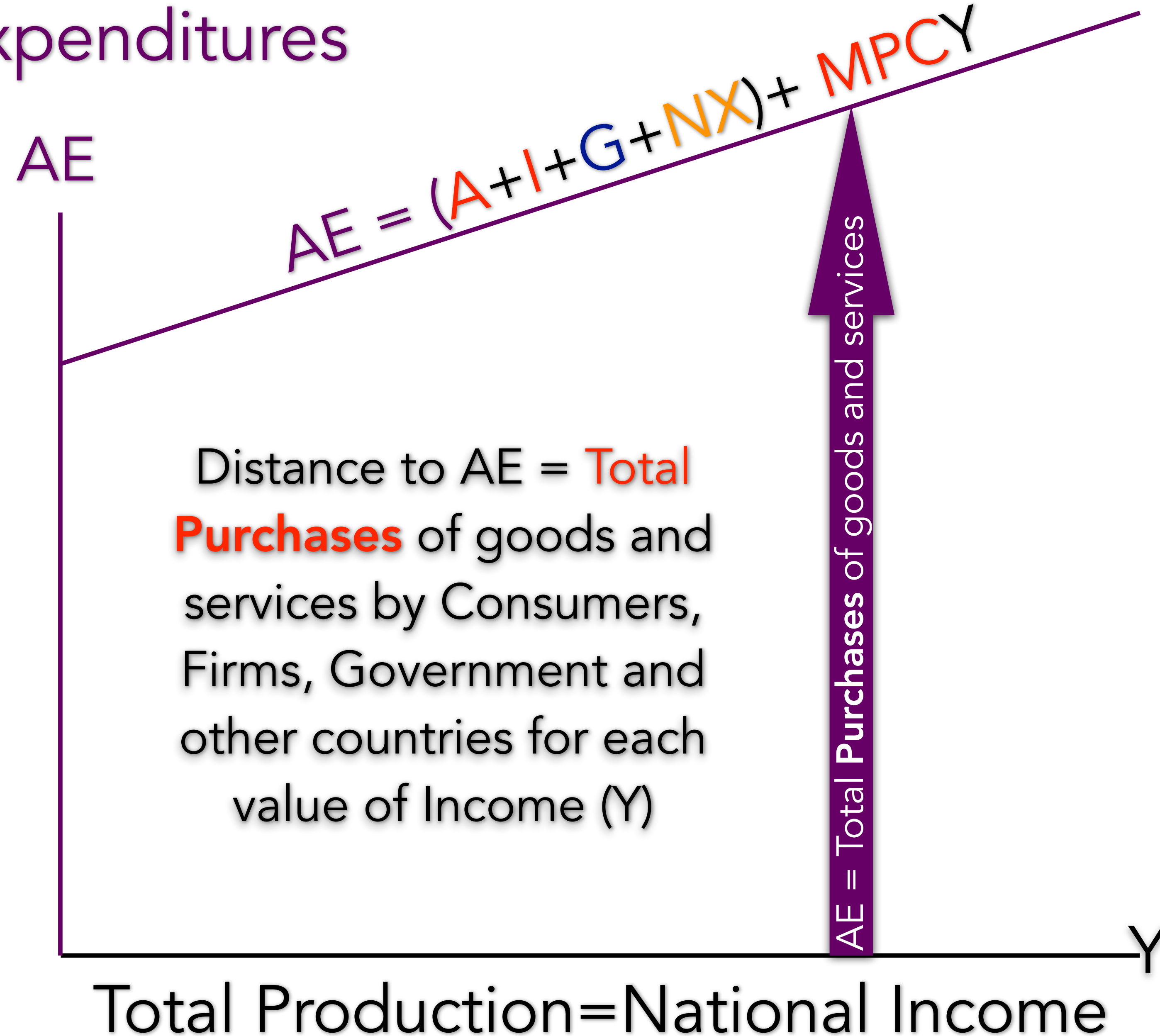
Distance to AE = **Total Purchases** of goods and services by Consumers, Firms, Government and other countries for each value of Income (Y)



AE = Total Purchases of goods and services



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Total Production=National Income