



Aggregate Expenditures

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

AE

Total Production = National Income

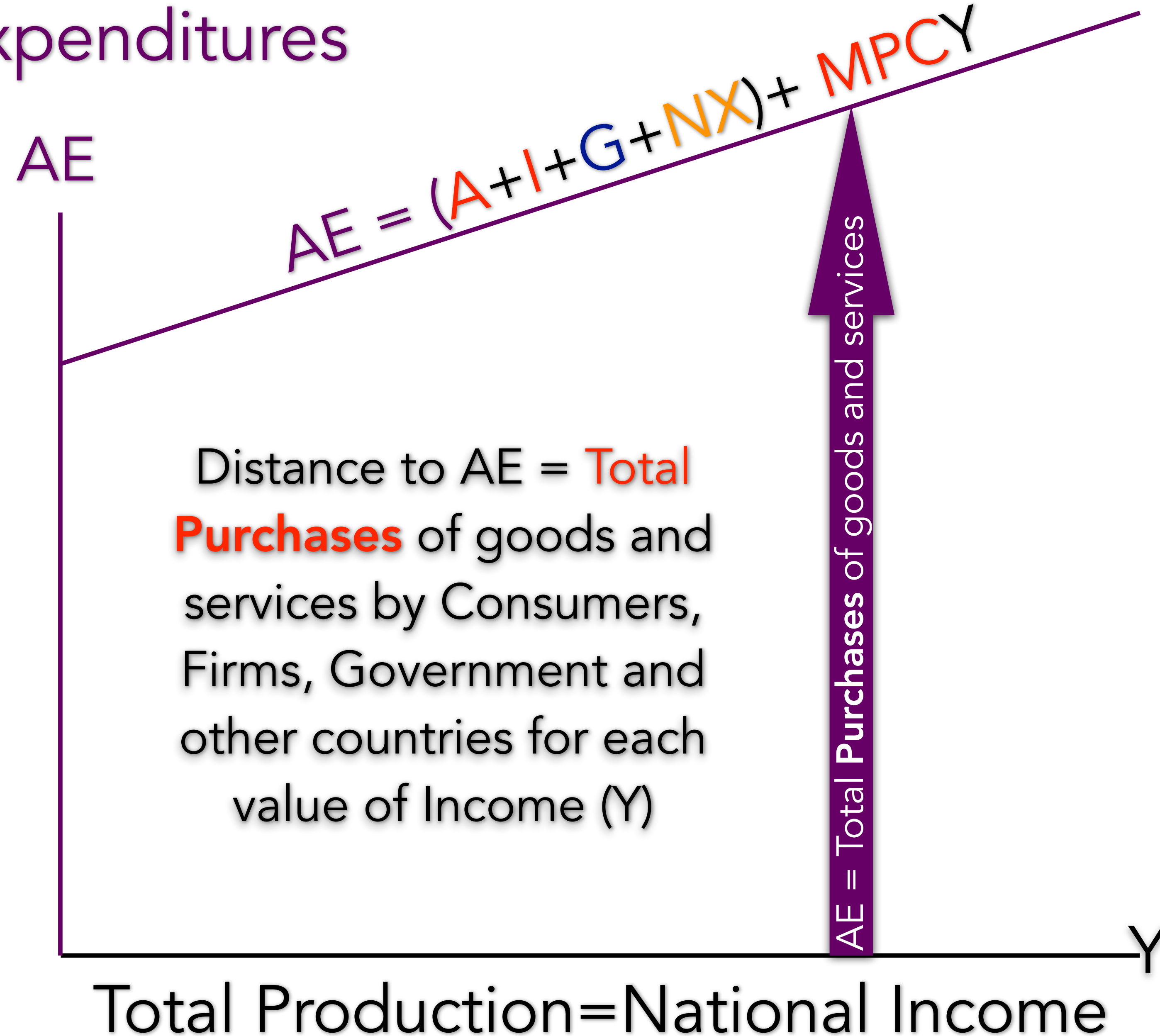
Distance to AE = **Total Purchases** of goods and services by Consumers, Firms, Government and other countries for each value of Income (Y)



AE = Total Purchases of goods and services

Y

Aggregate Expenditures





Total Production=National Income