



Total Production



Total Production (Y)



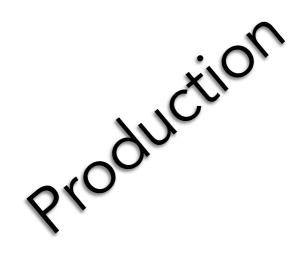


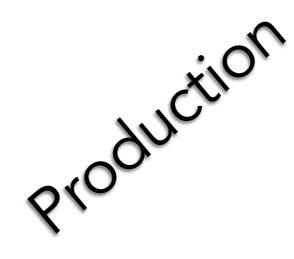
AE = C + I + G + X - M

Total Production (Y)

Spending Leakages are equal to Spending Injections

Inventories Decrease





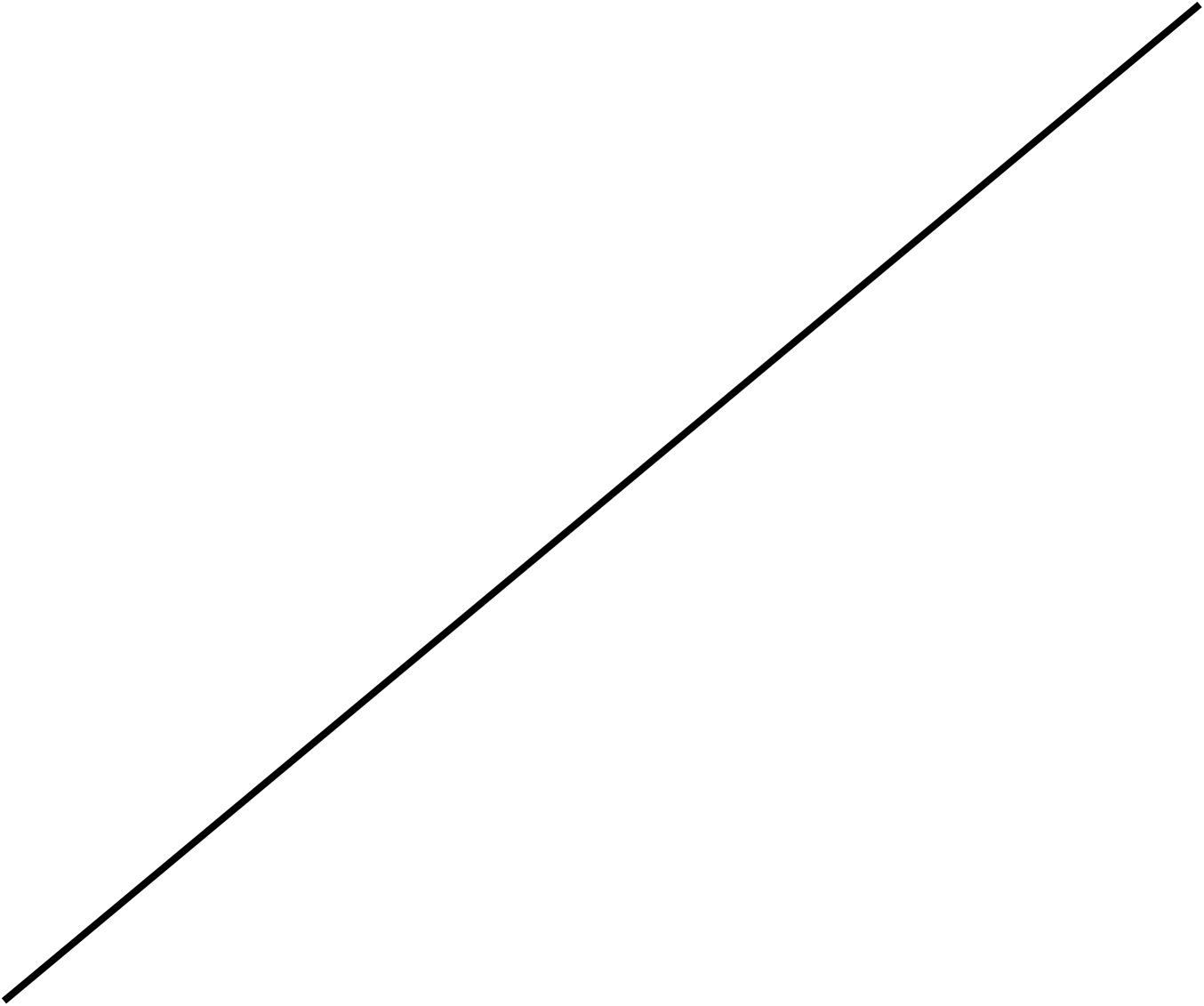
Spending Injections I+G+X larger than Spending Leakages S+T+M

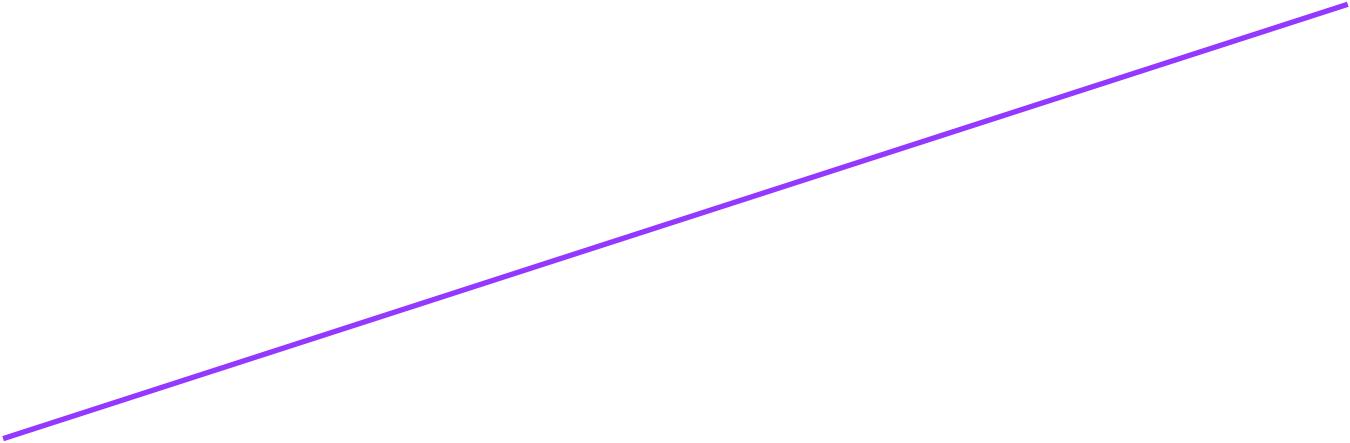
Spending Leakages S+T+Mlarger than Spending Injections f+G+X

Aggregate Expenditures











Aggregate Expenditures

Production

Too much spending

Too little spending

Inventories Increase

More Income leaves than is injected

More income is injected than leaves

More income is injected than leaves Total Production Spending Riodircijoli Injections I+G+XInventories larger than egate Increase Too little spending Expenditures Spending Leakages S+T+M Too much spending Spending Leakages S+T+M Inventories larger than Decrease Spending Injections Í+G+X More Income leaves than is injected

$$AE = C + I + G + X - M \leftarrow Total Production (Y)$$

