



# Aggregate Expenditures

AE

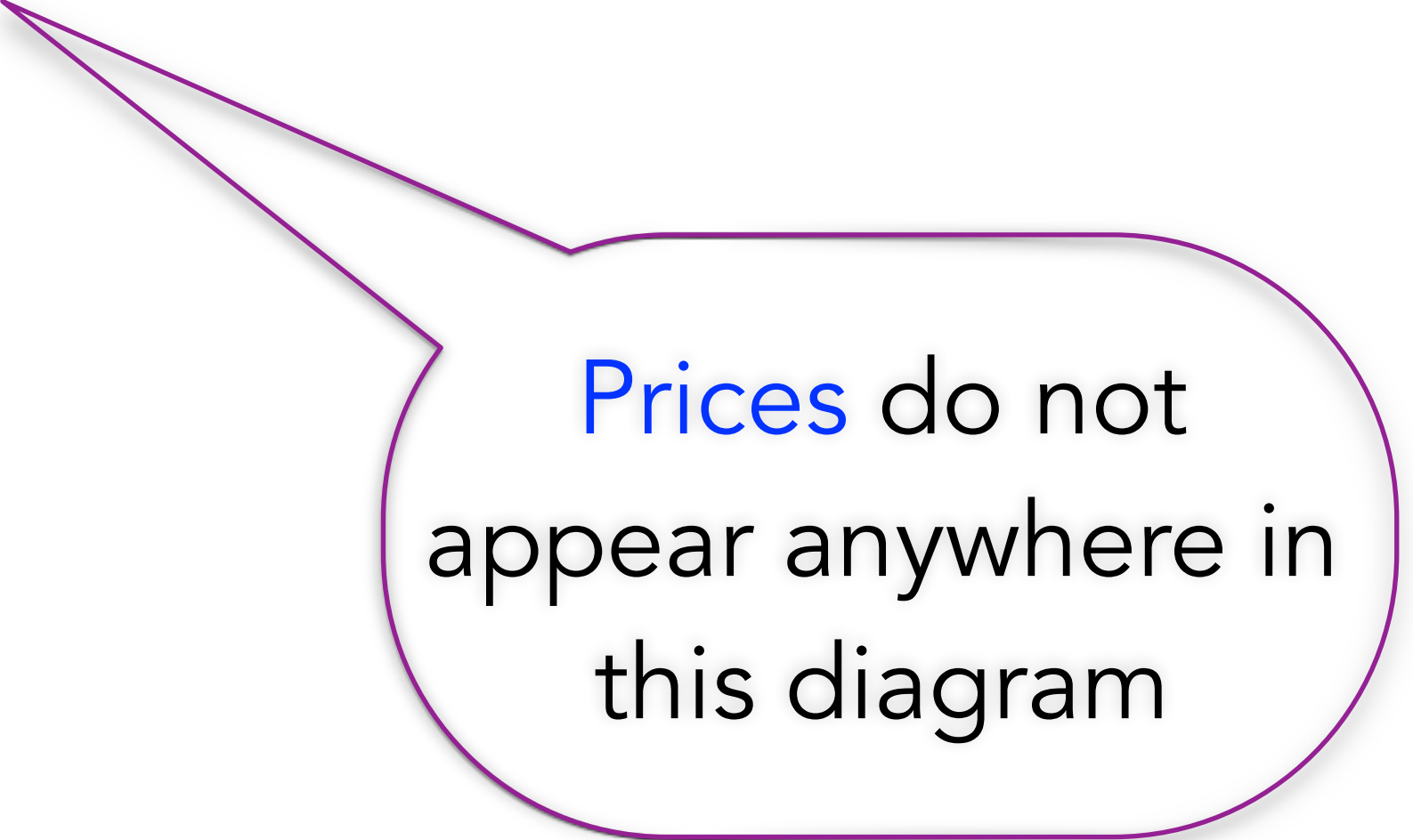
For different values of  $\alpha$

AE = Total **Purchases** of  
goods and services by  
Consumers, Firms,  
Government and other  
countries...



AE = Total Purchases of goods and services





Prices do not  
appear anywhere in  
this diagram









Q



















**V**







U

























6

S





U





















S

6

















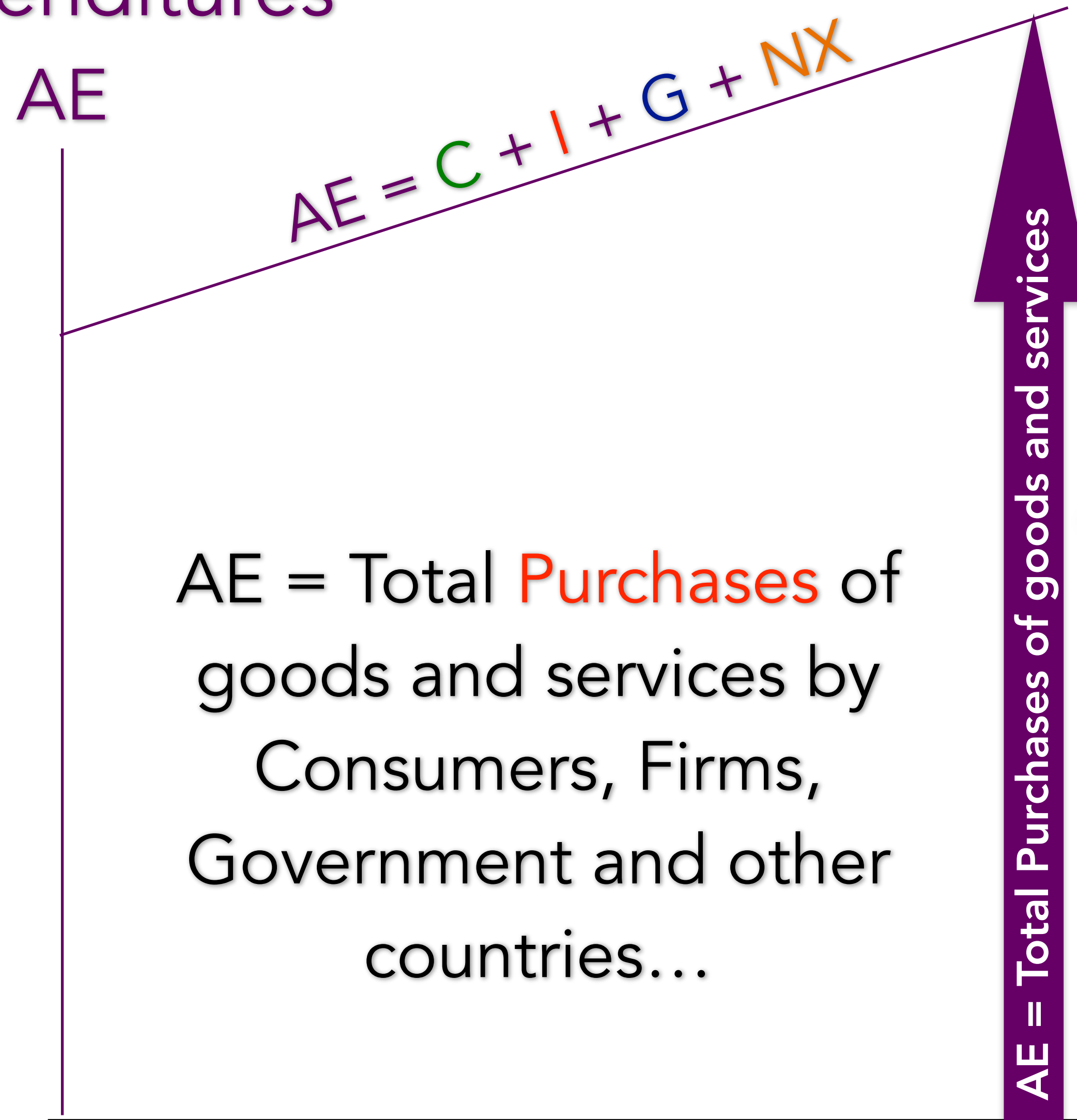
6





$$AE = C + I + G + NX$$

# Aggregate Expenditures



AE = Total **Purchases** of goods and services by Consumers, Firms, Government and other countries...

**Prices** do not appear anywhere in this diagram

For **different** values of **Income**, assuming prices are constant



# Aggregate Demand

$$AD = C + I + G + NX$$

AD