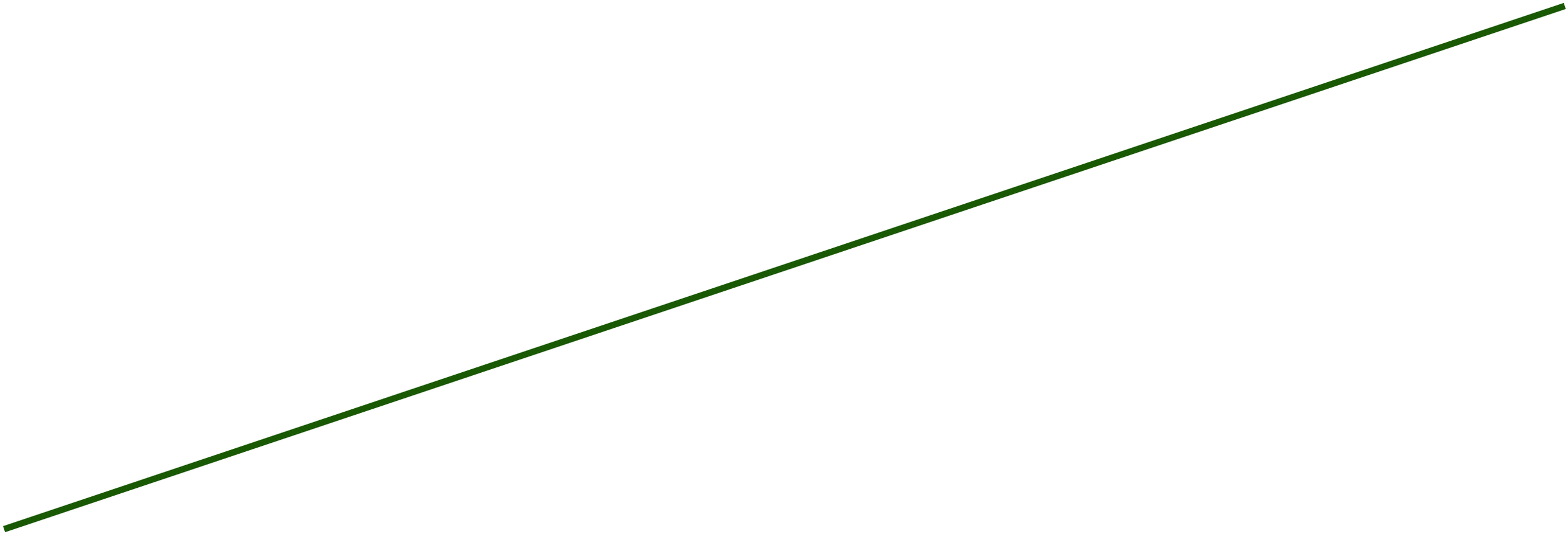
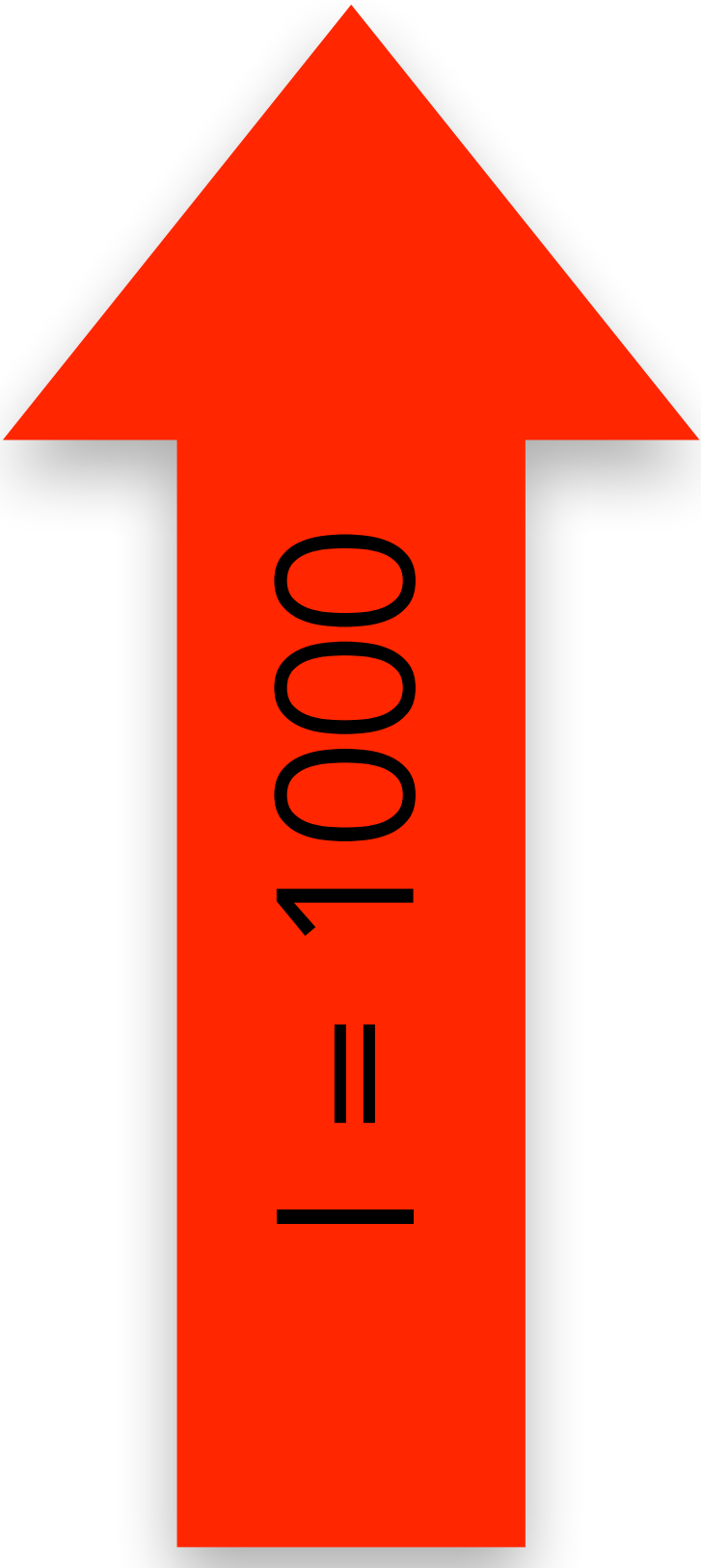
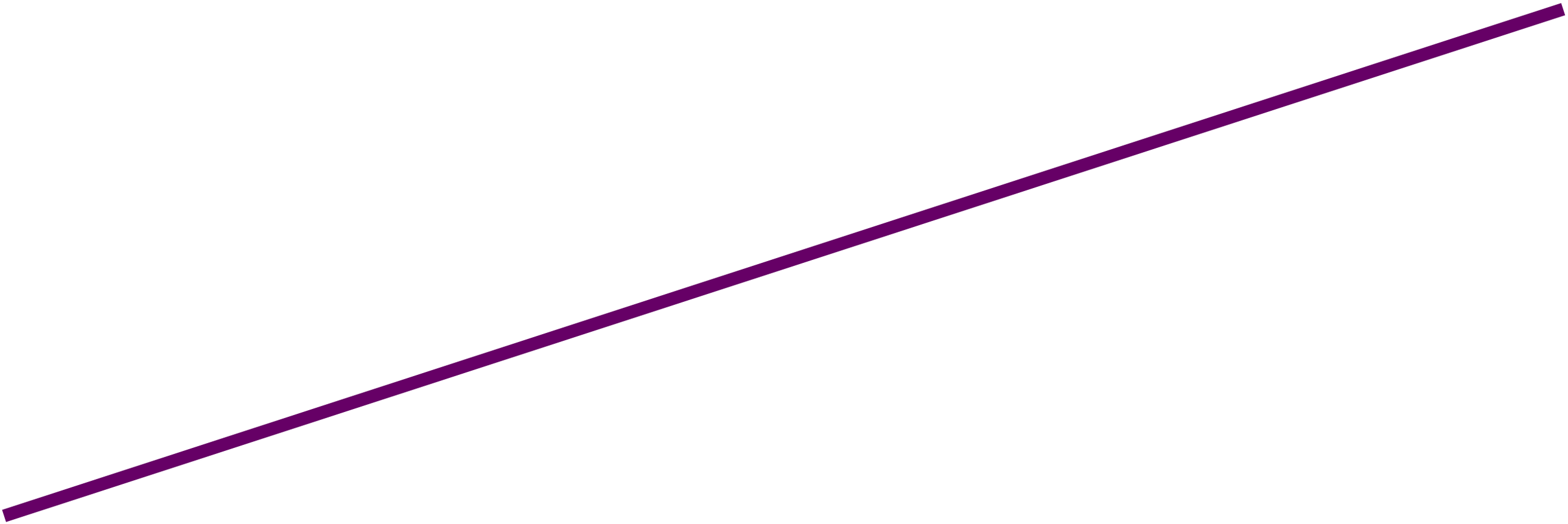
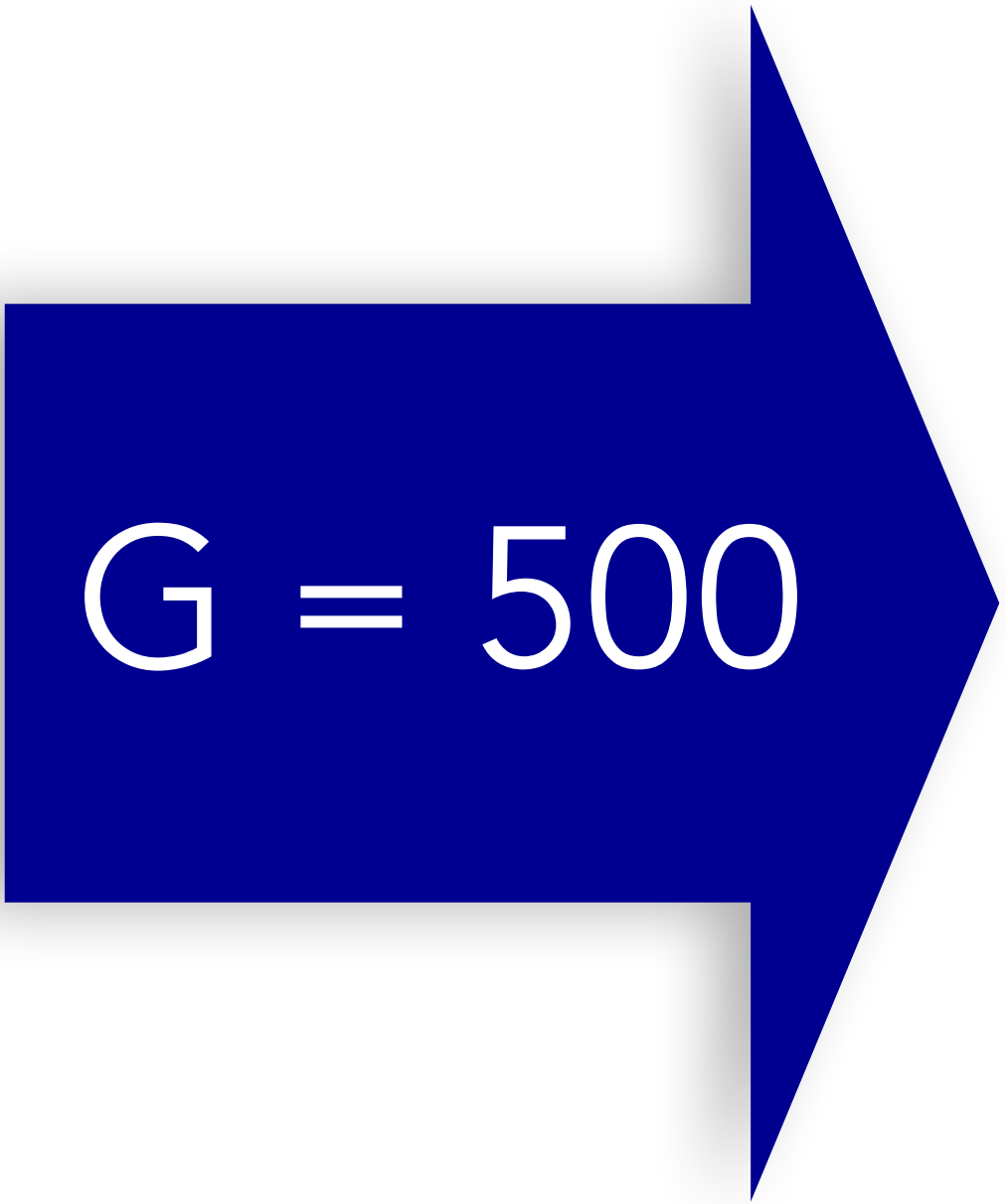
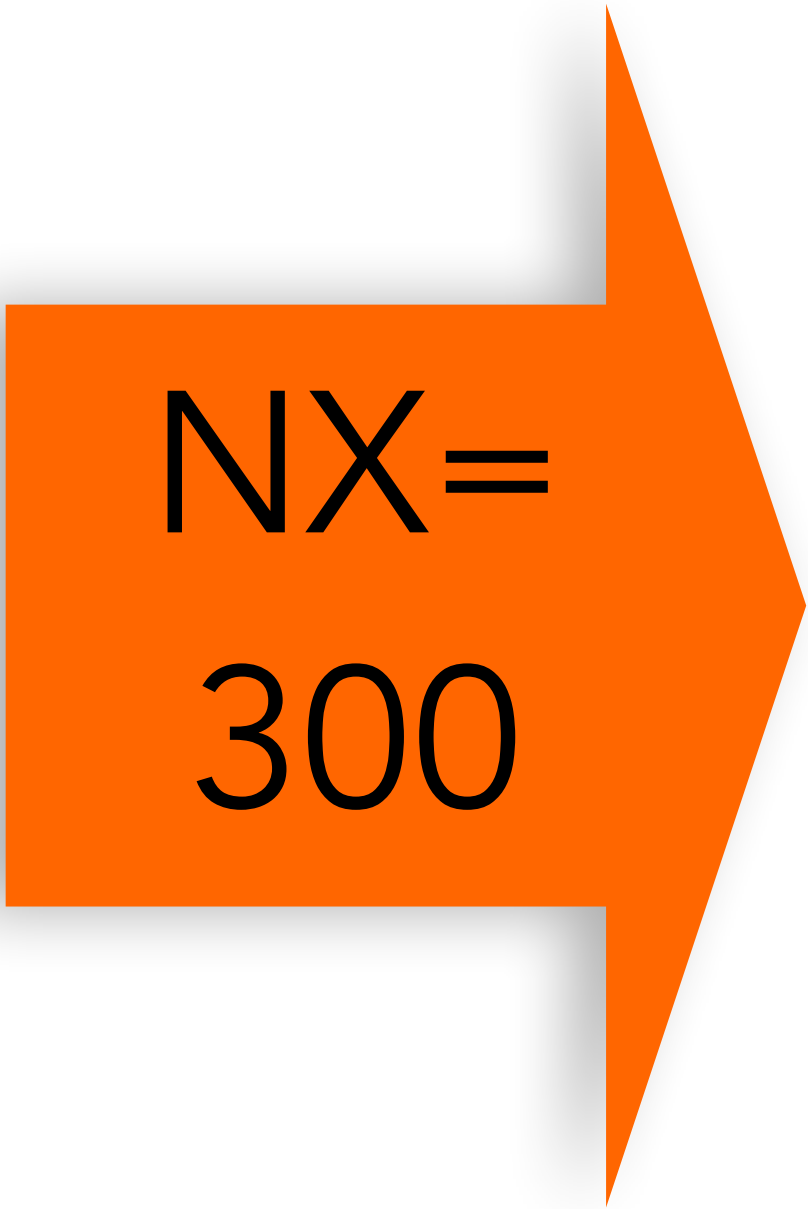
$$(a + MPC(Tr - Tx)$$




I = 1000



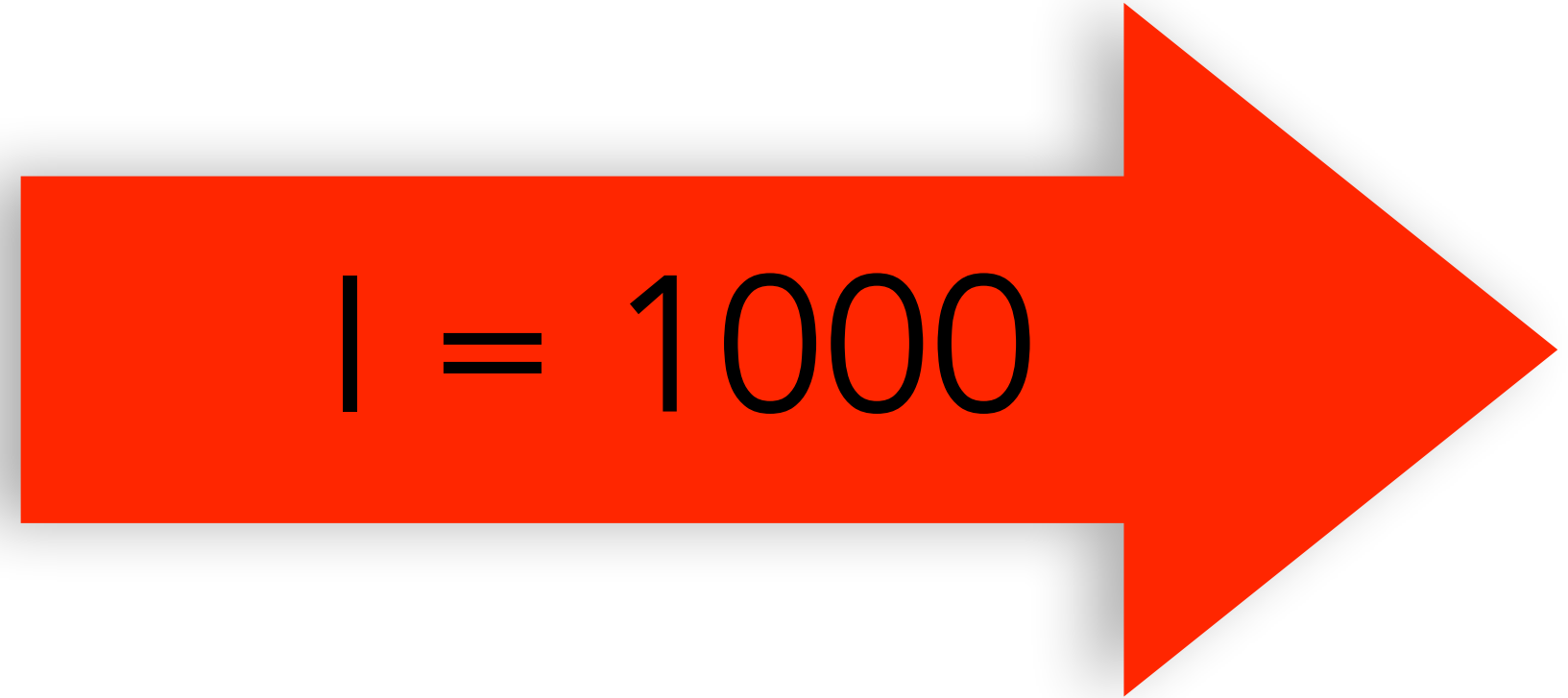

G = 500

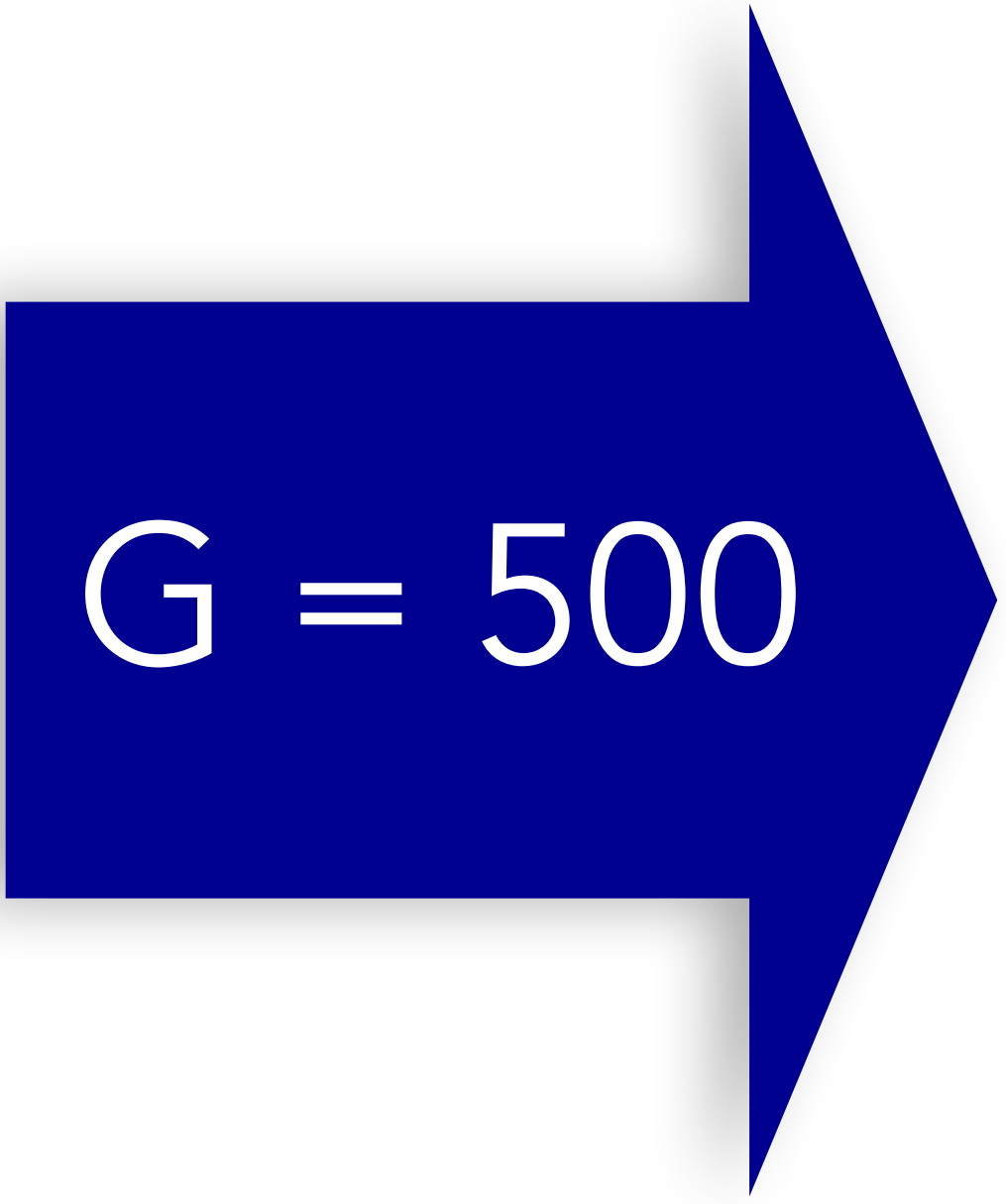

NX=
300

$$Y = 5{,}000$$

$$C = 100 + 0.9Y$$

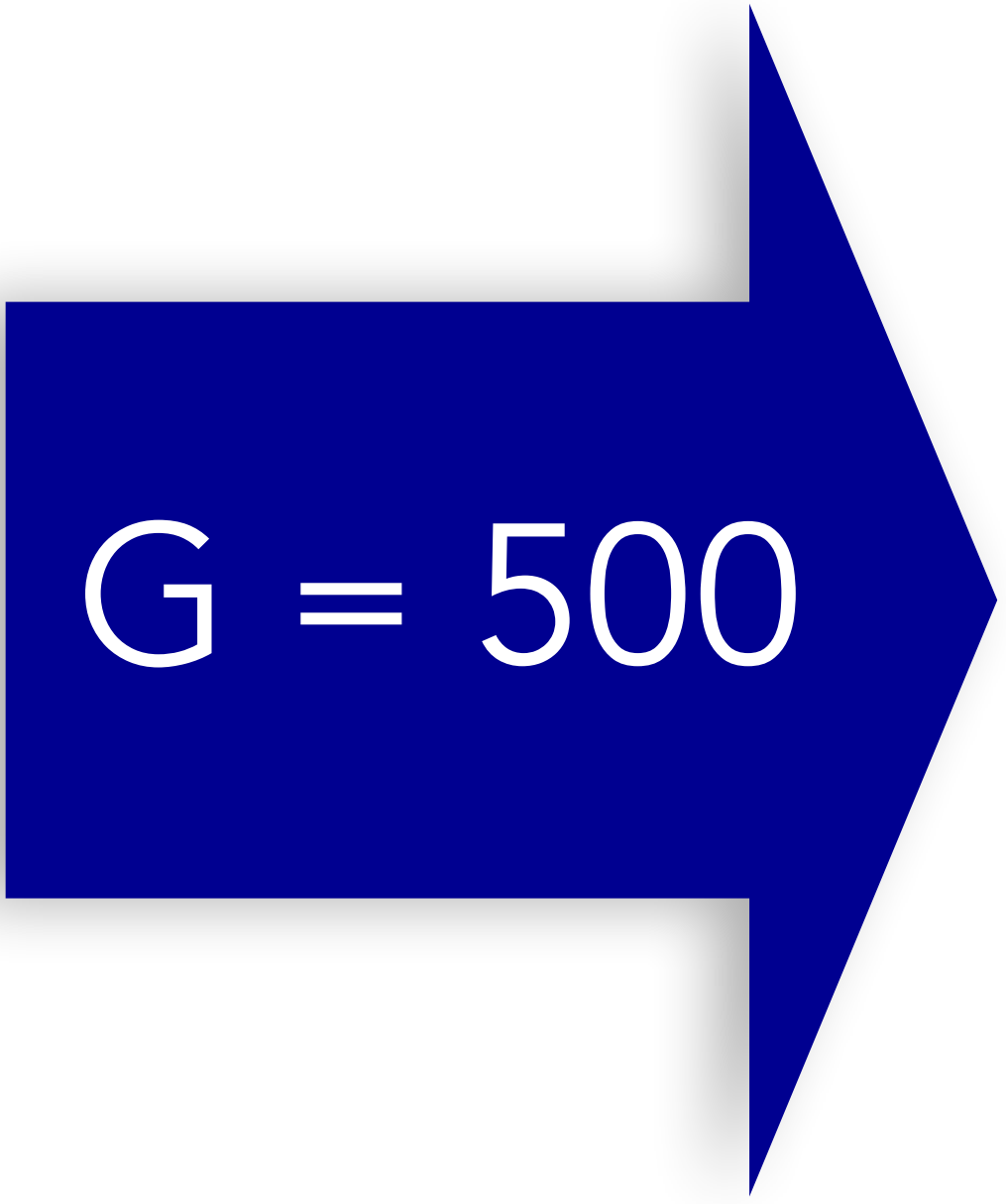

C = 9,100

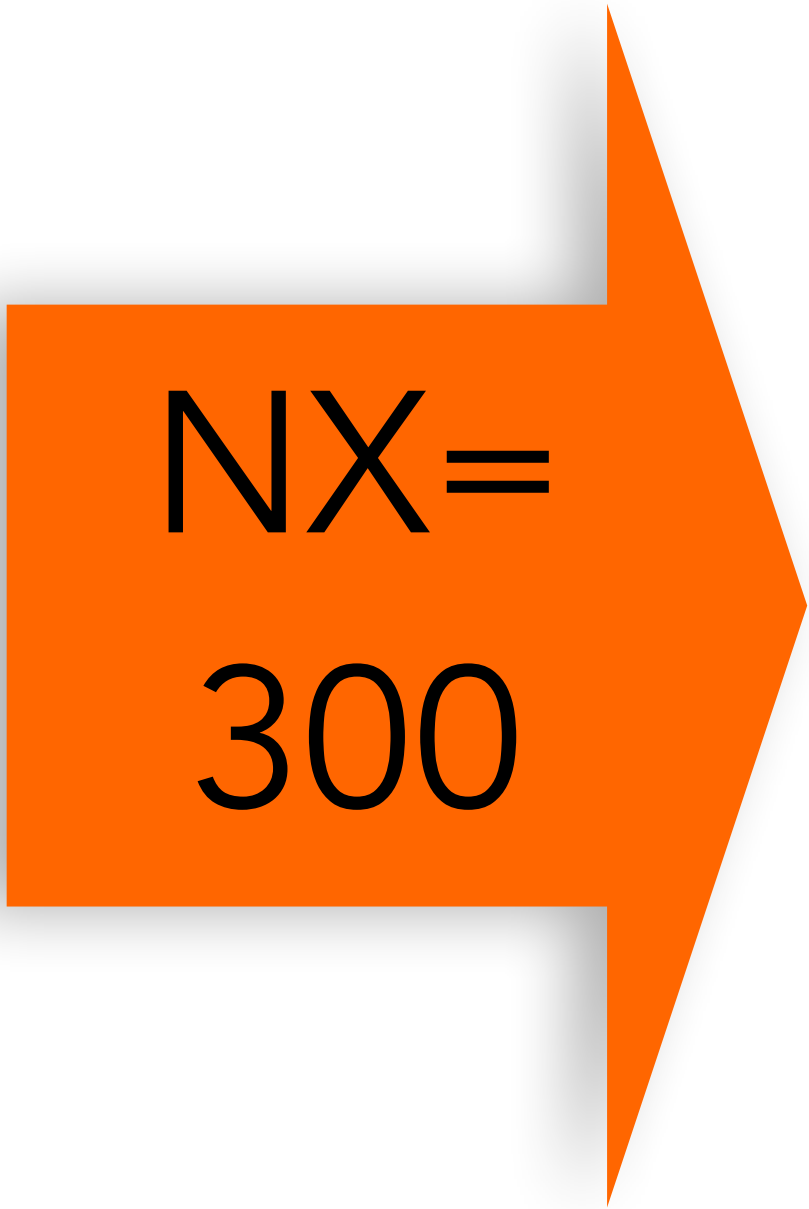

I = 1000


G = 500

$$Y = 10{,}000$$


C = 17,200


G = 500


NX=
300

$$Y = 19{,}000$$


AE = 10,900

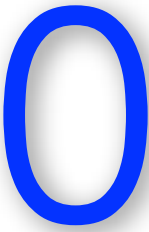

AE = 19,000

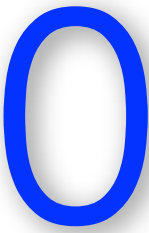

C = 4600

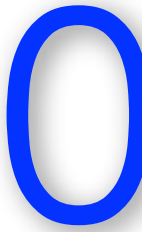

AE = 4,600+1,000+500+300=6,400

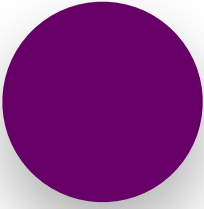

2

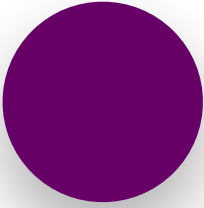

5

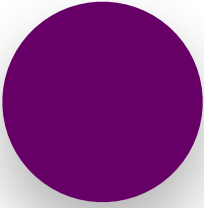


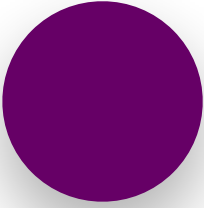








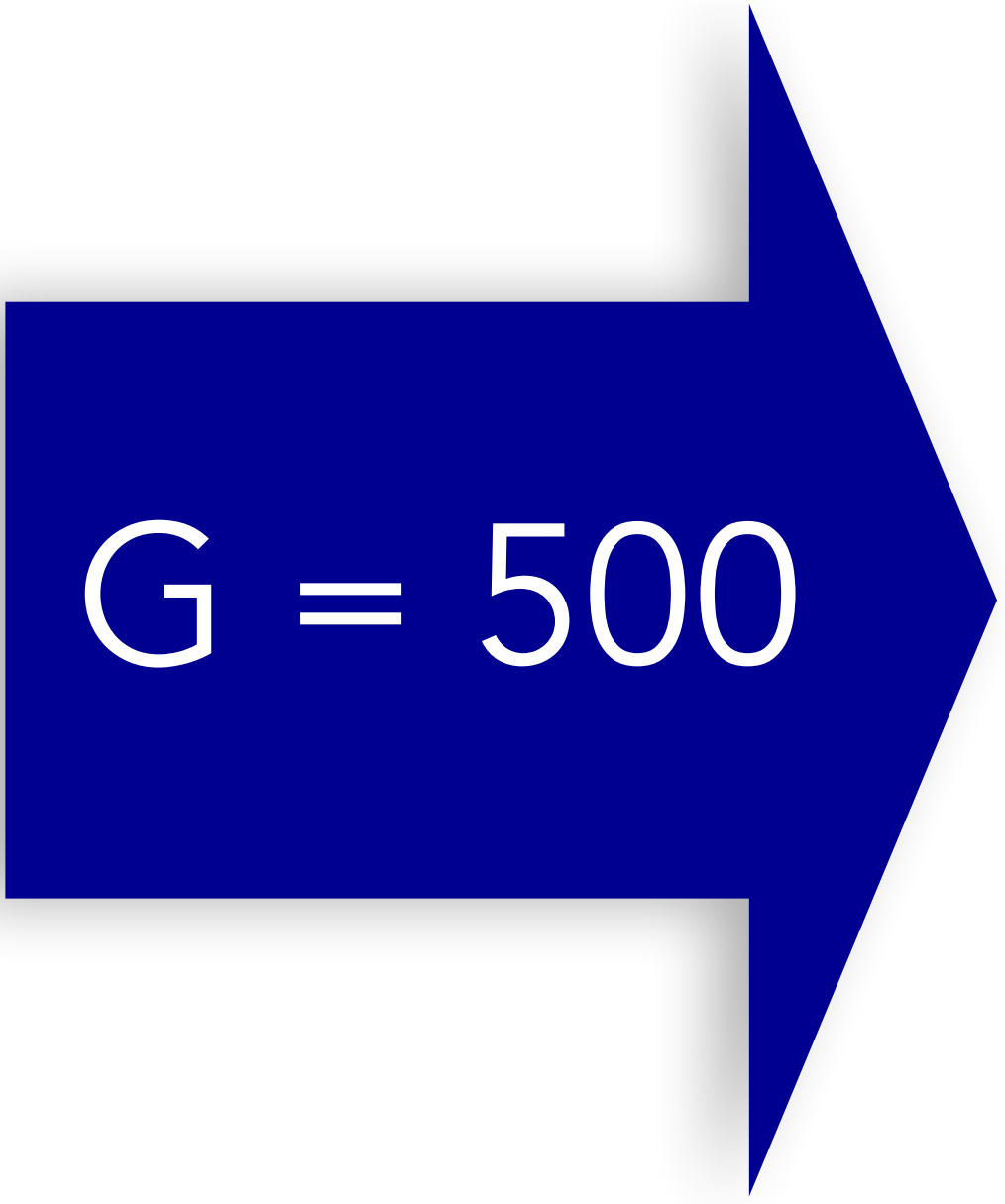


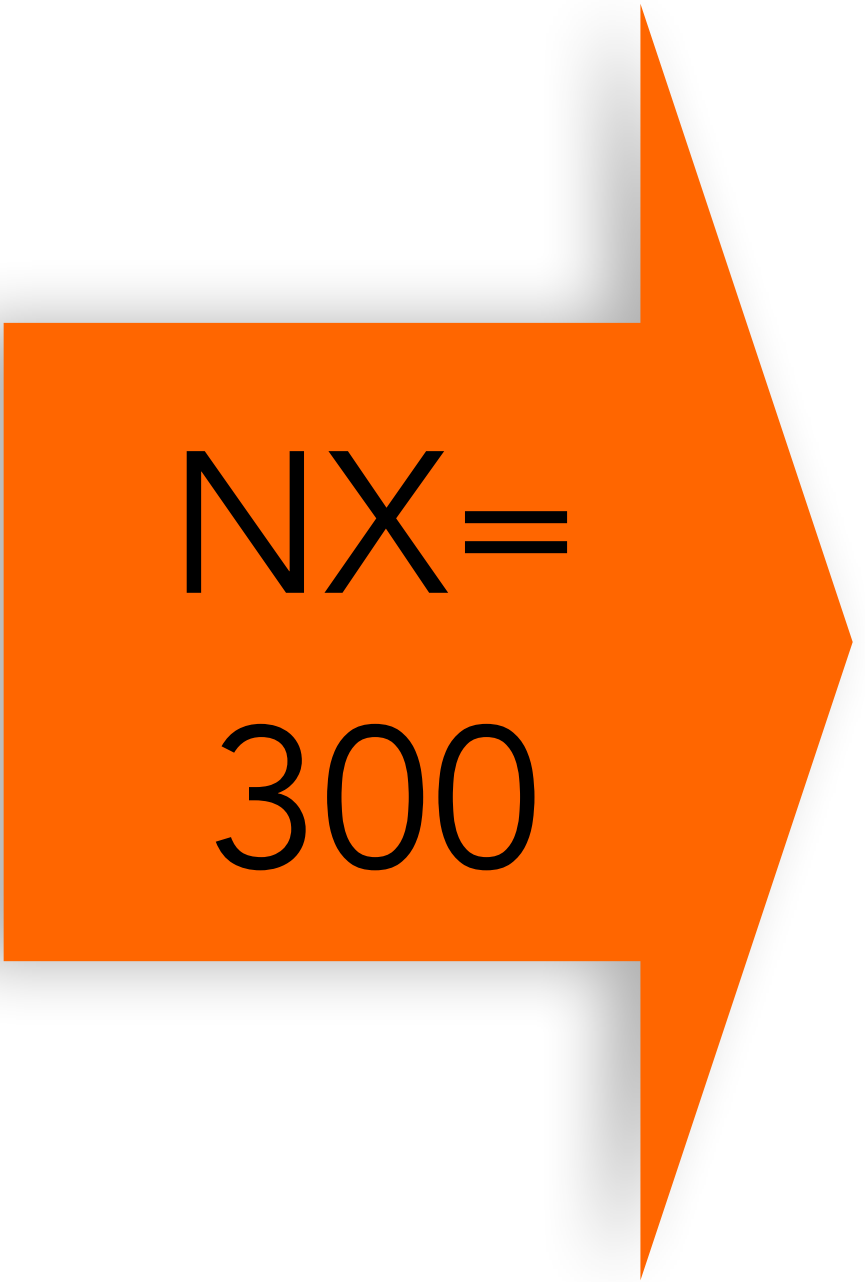


National Income

Aggregate Expenditures

:**Total** Purchases for each value of **Y/GDP**

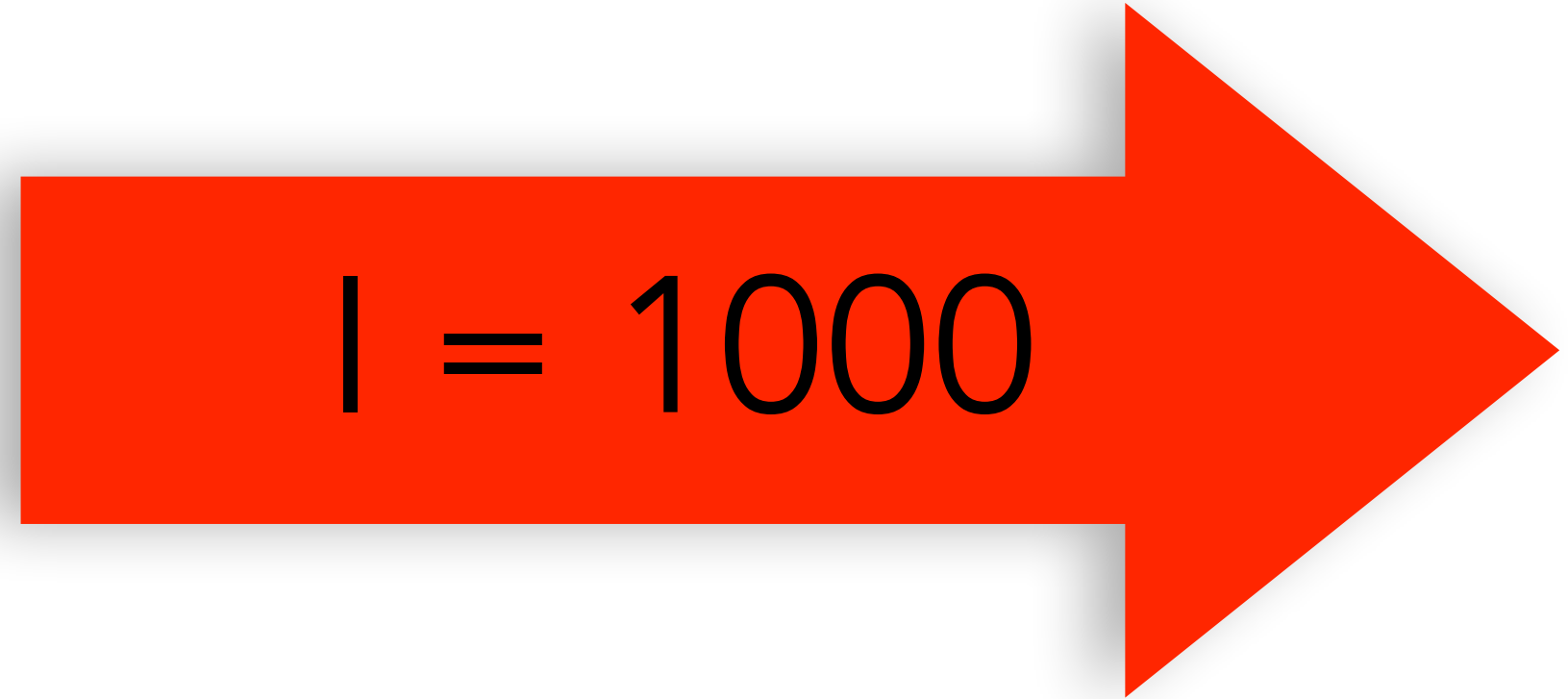

G = 500

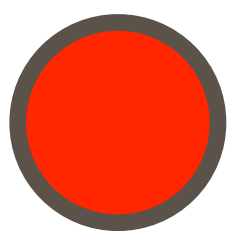

NX=
300

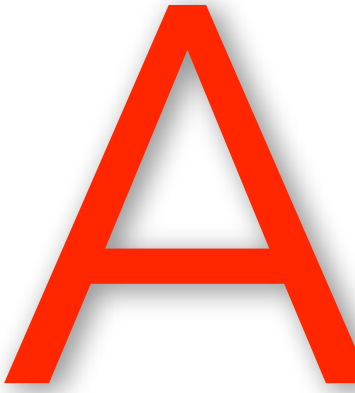
$$AE = C + I + G + NX$$


C = 22,600

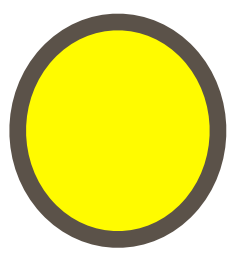

AE = 24,400


I = 1000






A+I+G+NX



$$l = 1000$$

$$G = 500$$

NX= 300

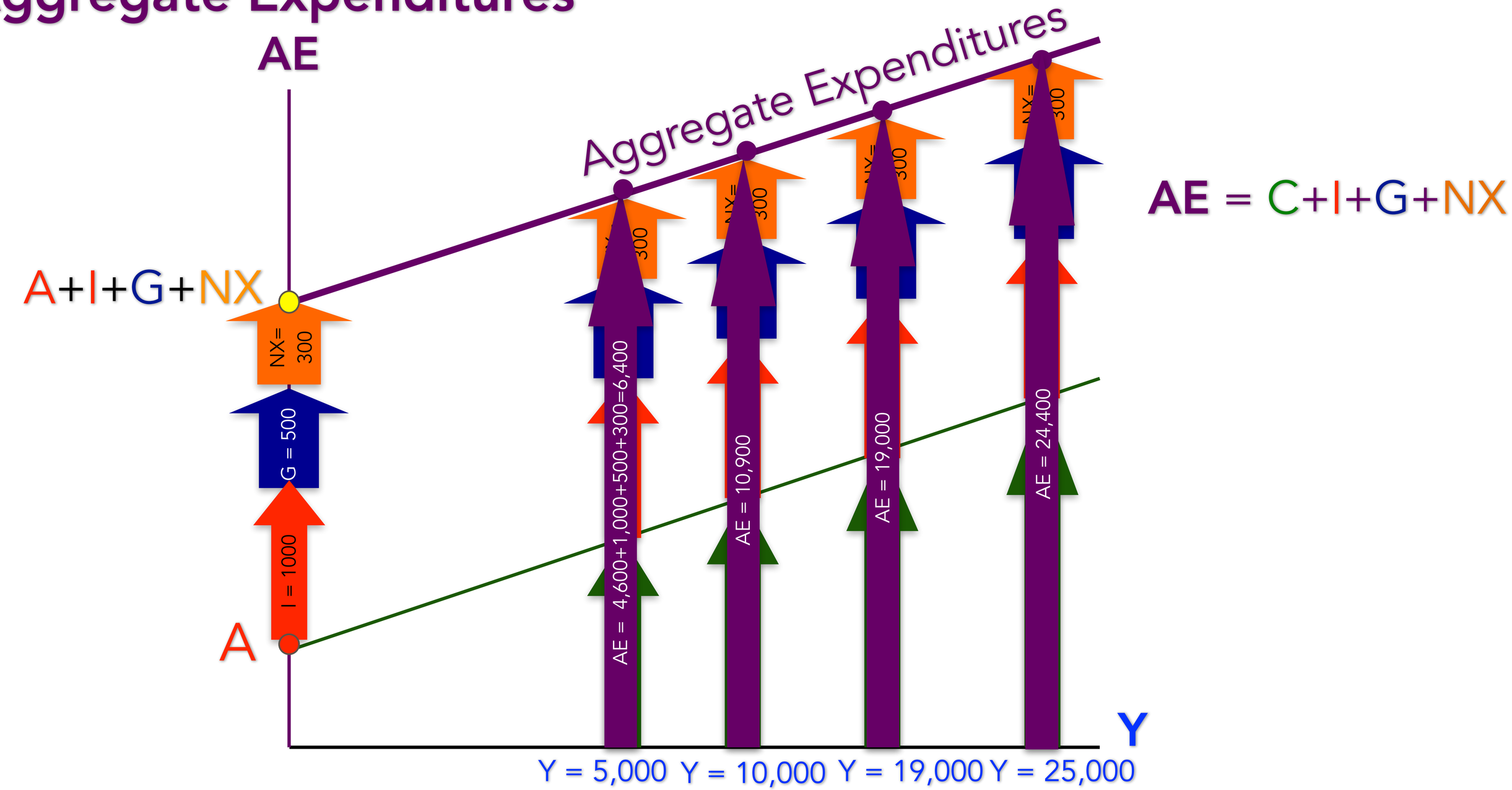
Total Production=National Income


GDP=Y


AE

$$Y = 25{,}000$$

Aggregate Expenditures



AE = C+I+G+NX