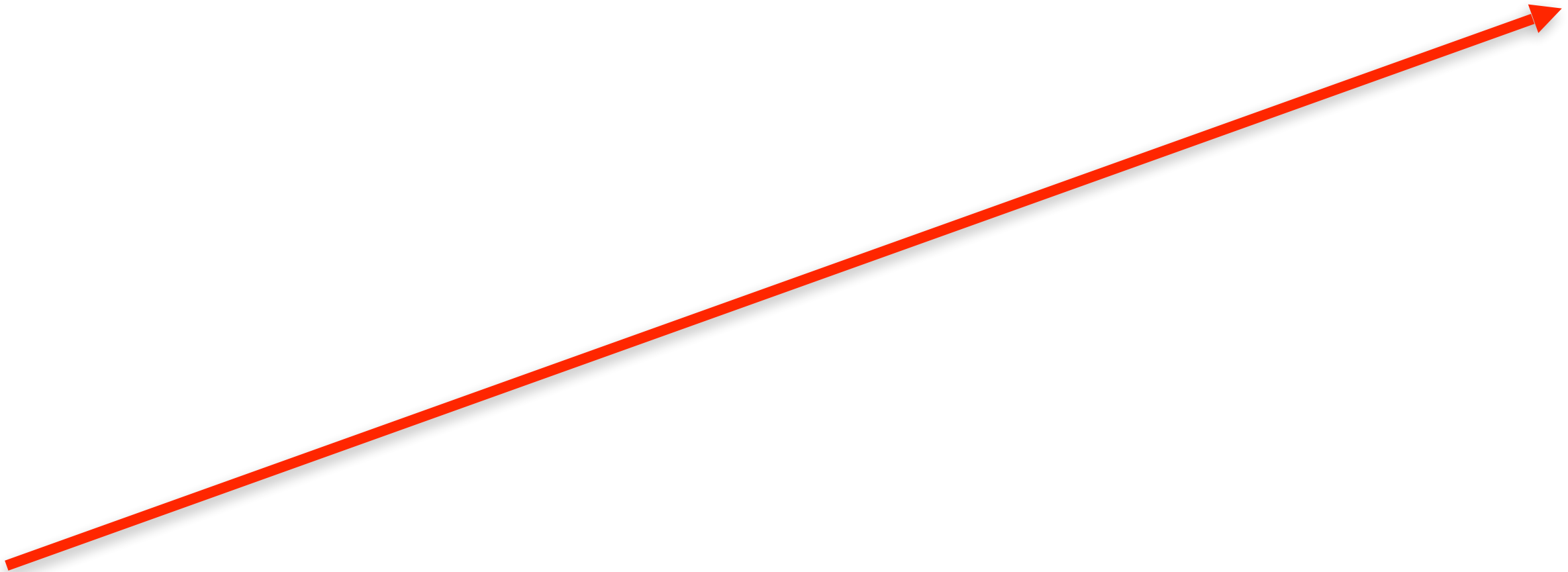


S+Tx+M

I+G+X

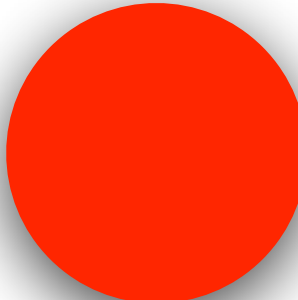
Y Equilibrium

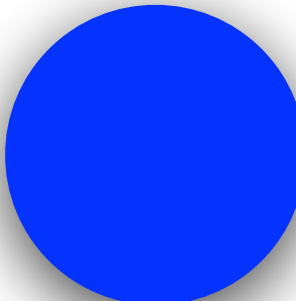
Y above equilibrium

Leakages larger than Injections

Leakages

Injections

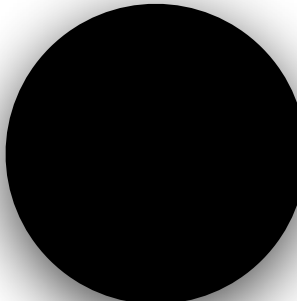


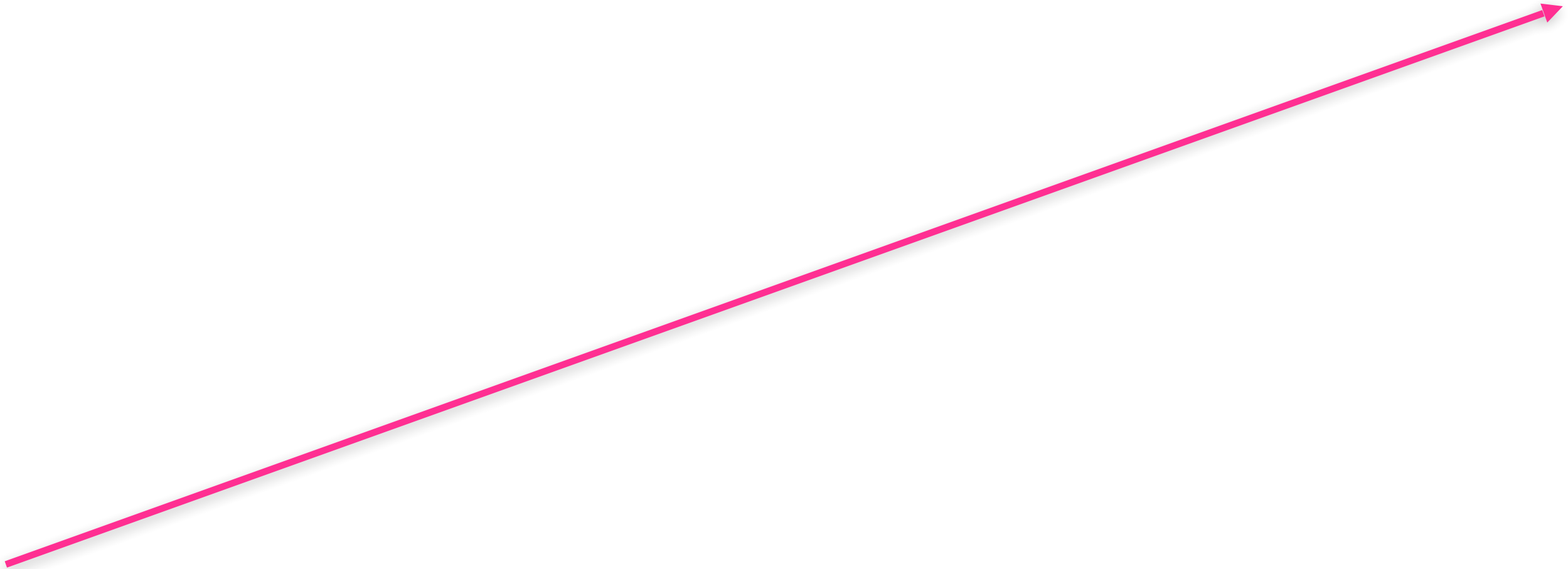


Not enough spending
Inventories accumulate

Too much spending inventories fall

Spending = Production inventories do not change

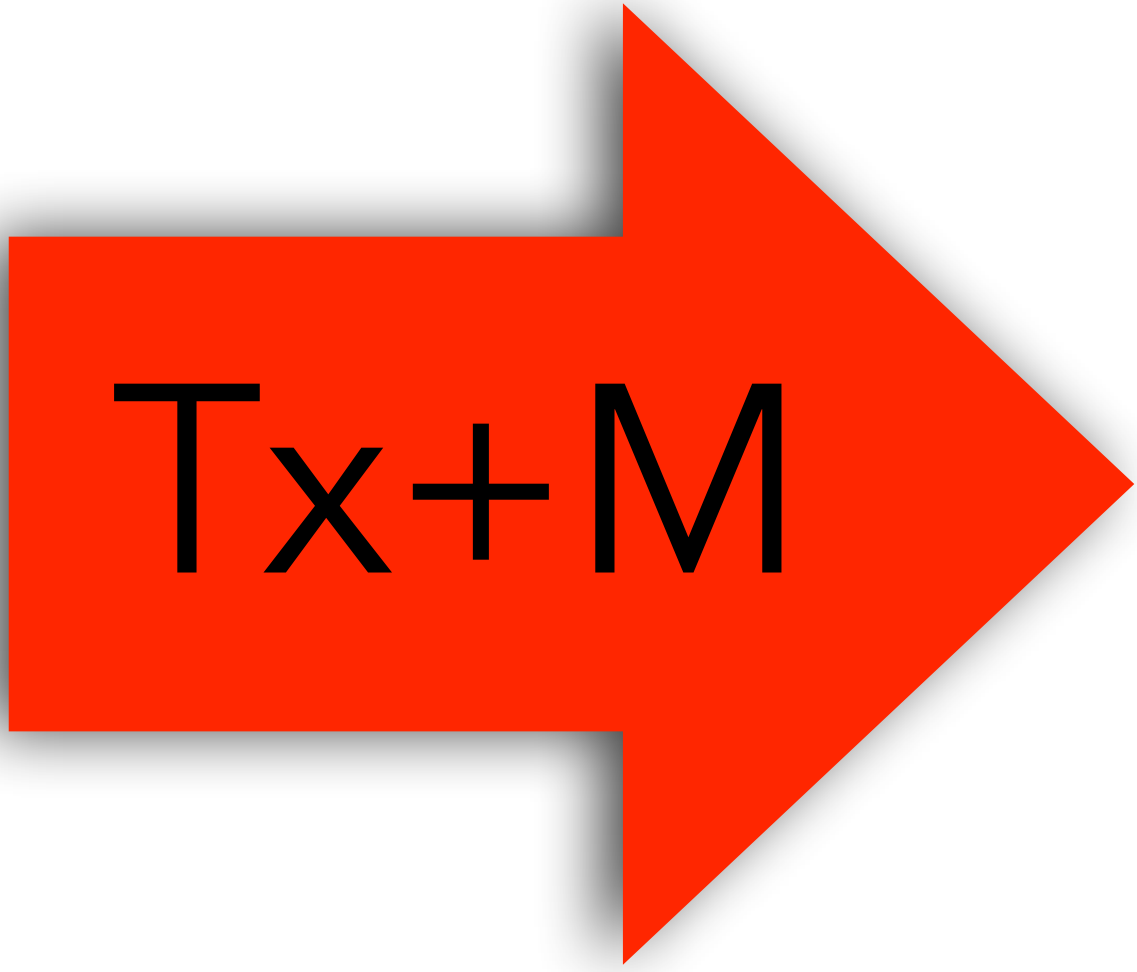


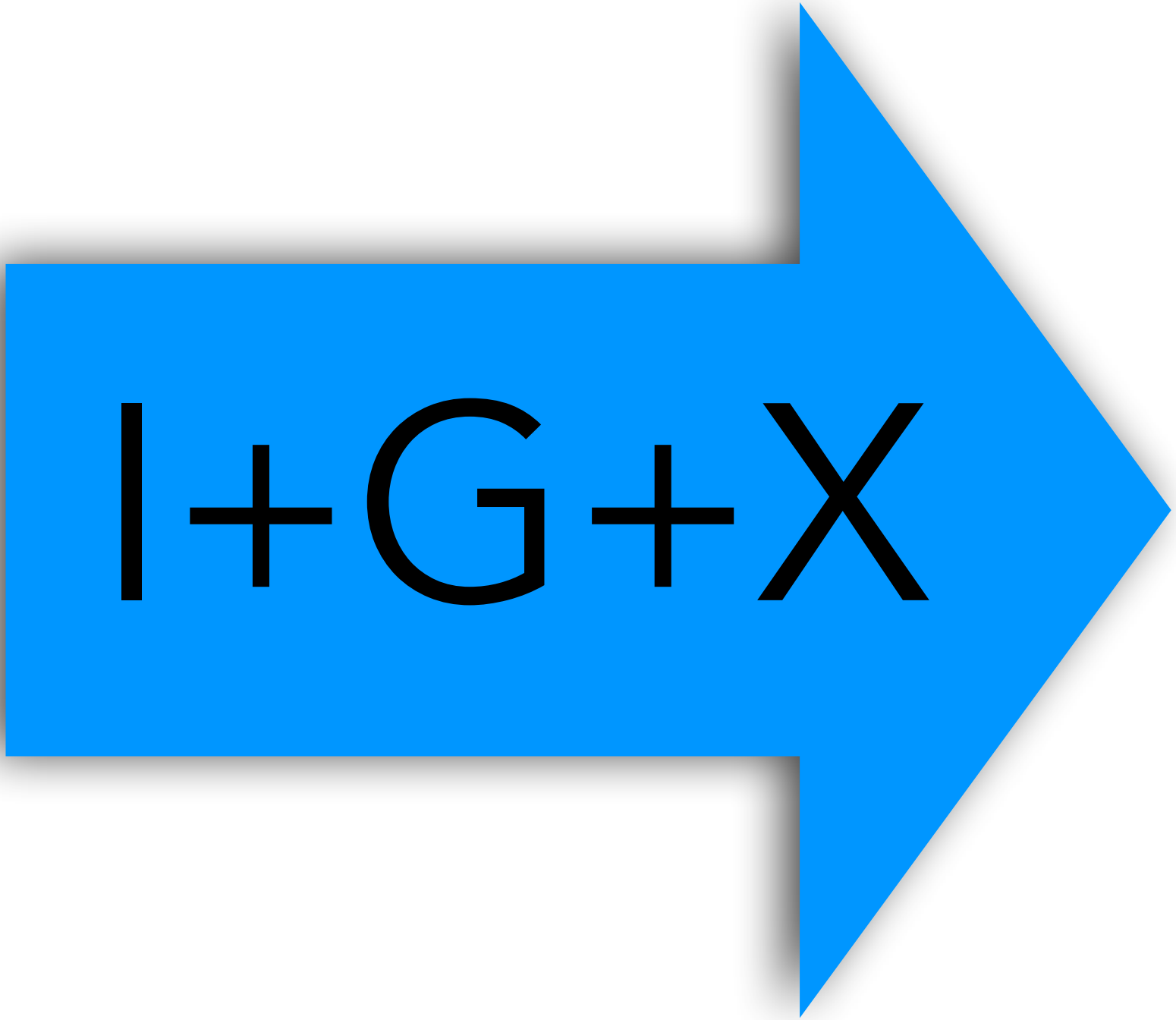


$$S = -a+MPSY$$

S+T+M

I+G+X =


Tx+M

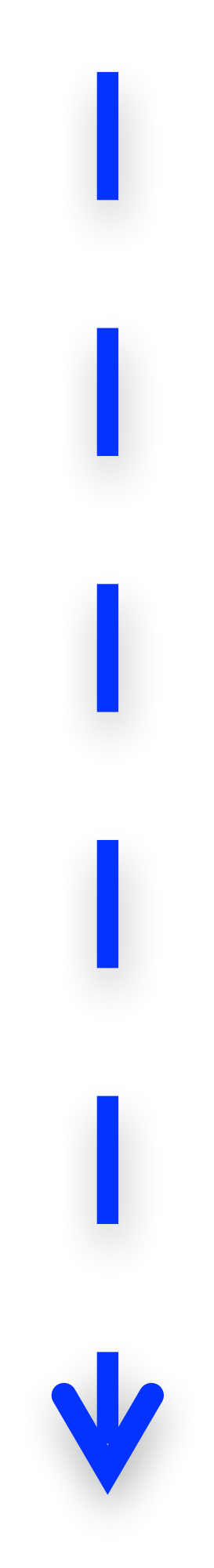

I+G+X

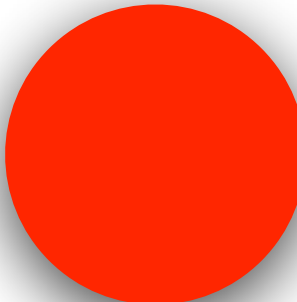
Income that leaks

Injections
Larger than
Leakages

Income injected back

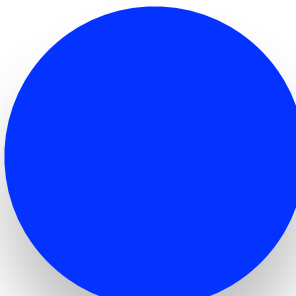
Y below equilibrium

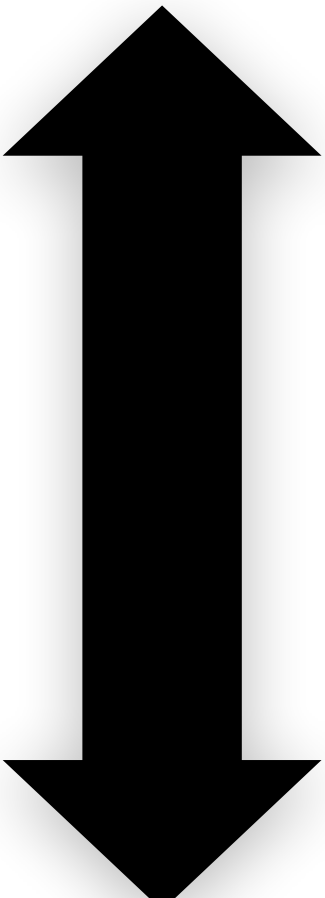


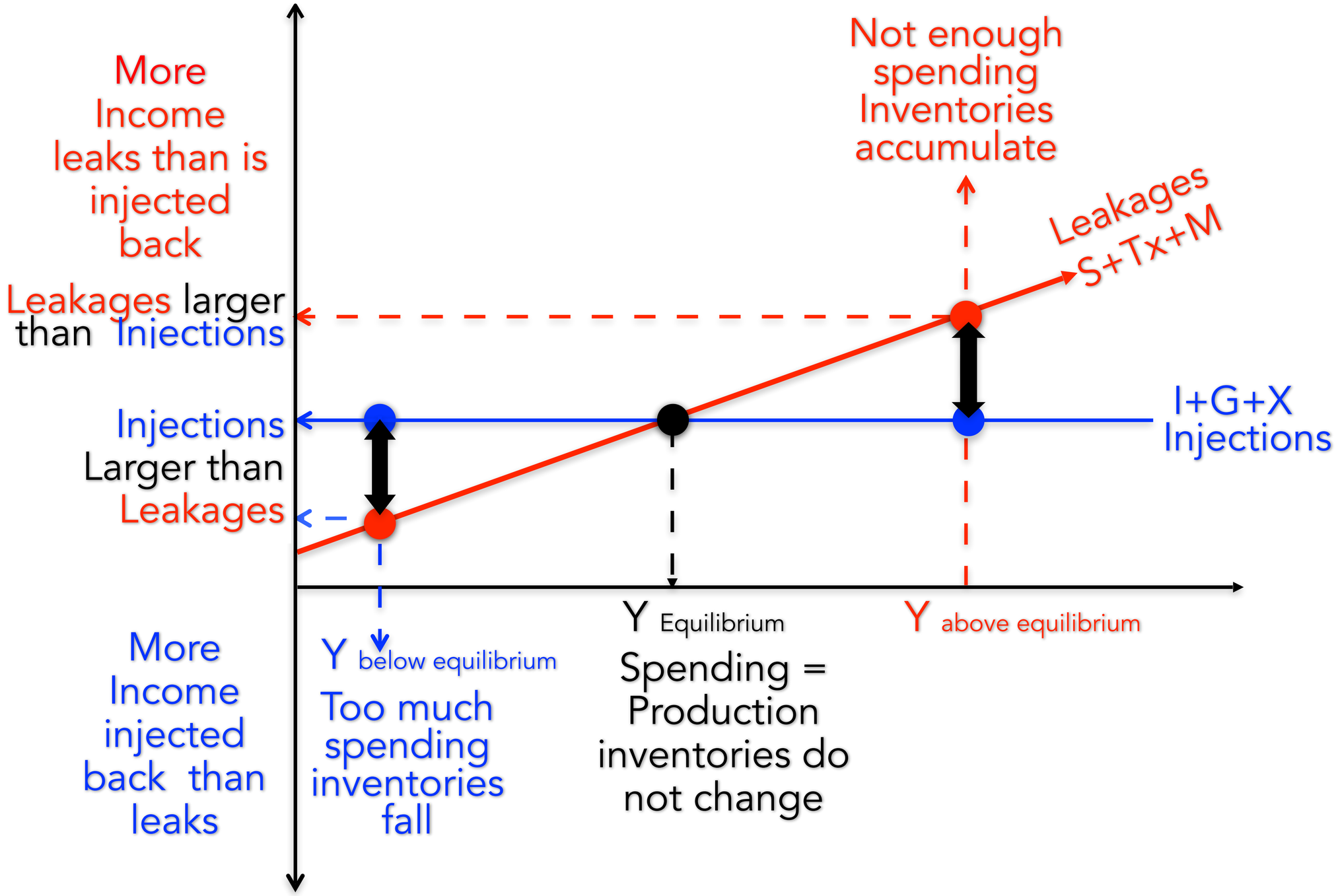


More Income leaks than is injected back

More Income injected back than leaks






More Income leaks than is injected back
Leakages larger than Injections
Injections Larger than Leakages
More Income injected back than leaks
Not enough spending Inventories accumulate
Leakages S+Tx+M
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Y below equilibrium
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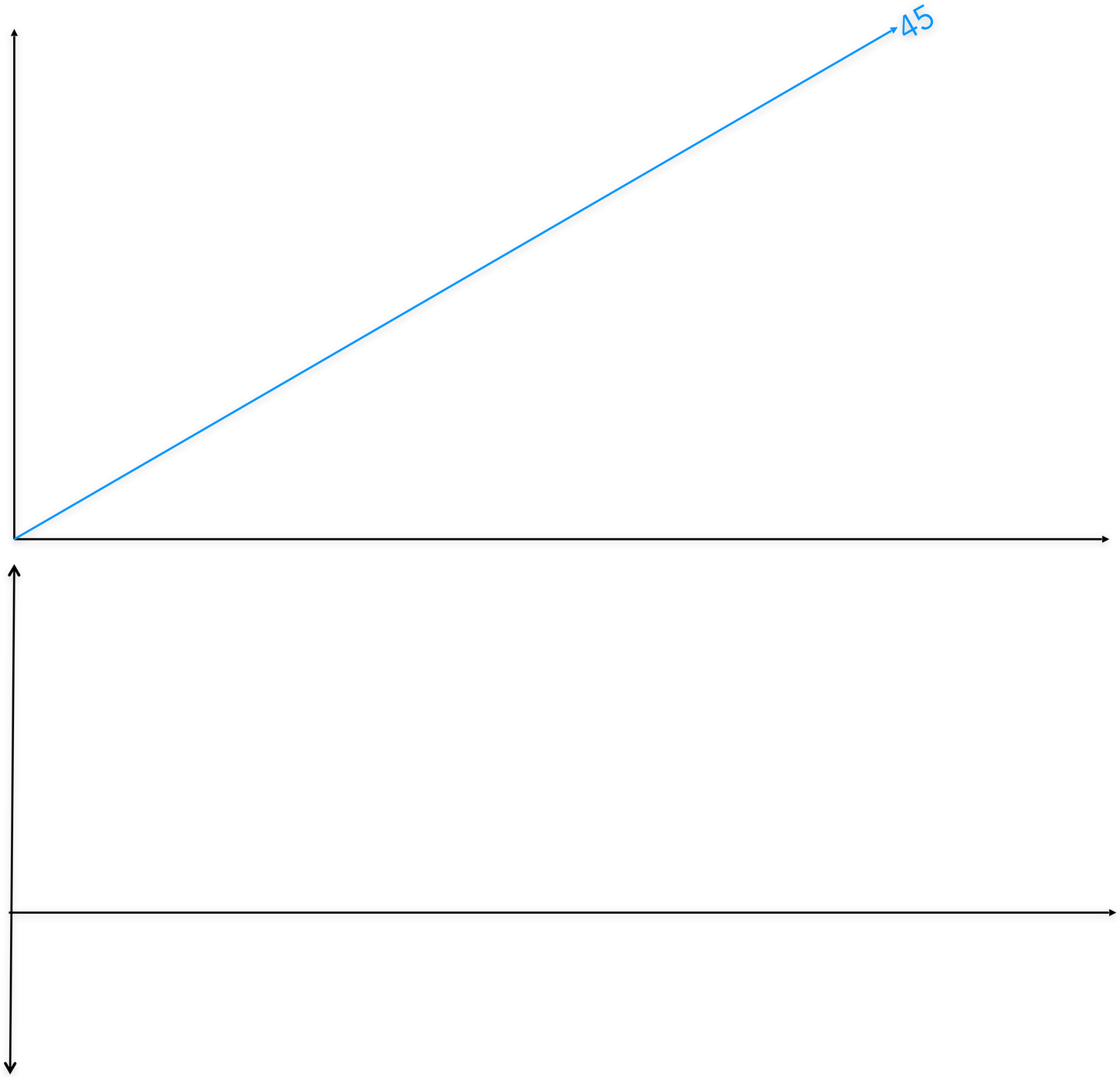
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