$Y = C + I + G + (X - M)$ Influenced by Consist of.

$YD = Y - T = C + S$

YD: Disposable Income; Y: Real GDP; T: Net Tax; C: Consumption; S: Saving

Real GDP ↑ → Aggregate Expenditure ↑

other things remain the same YD - C relation is called consumption function
YD - S relation is called saving function

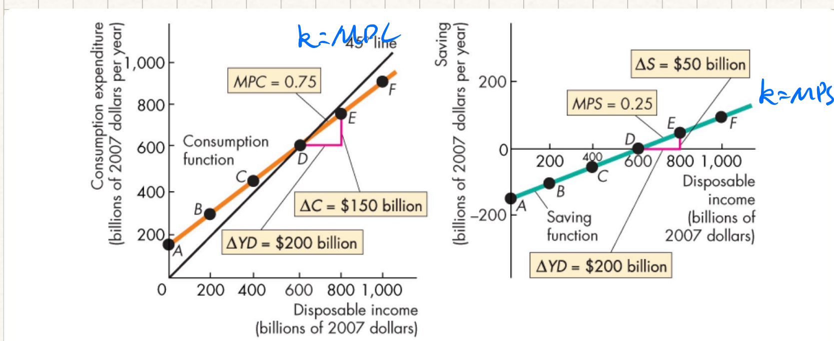
$MPC = \Delta C / \Delta YD$

marginal propensity to consume; consumption expenditure; disposable income.

$MPS = \Delta S / \Delta YD$

- - - - to saving; saving

$MPC + MPS = \frac{\Delta C + \Delta S}{\Delta YD} = 1.$



(a) Consumption function (b) Saving function

$MPI = \Delta M / \Delta Y$

marginal propensity to import; import; GDP

Aggregate planned expenditure = planned consumption expenditure
+ planned investment
+ planned government expenditure

$= C + I + G + (X - M)$

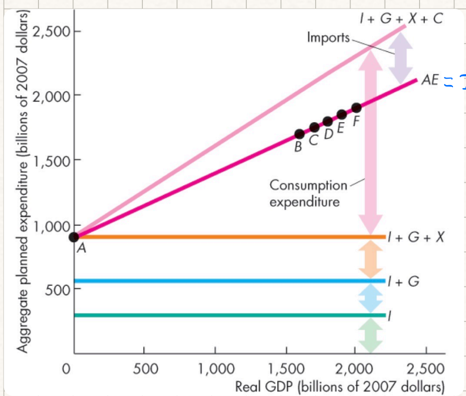
(GDP's expenditure function) + (planned export - planned export).

Real GDP ↑ => planned consumption expenditure ↑
planned import

四月の雨、濡れた羽
雲雀はまだ飛べずにいる

— Aimer «April Shower»

planned investment
+
planned government expenditure
+
planned exports
remain the same



$= I + G + C + (X - M)$.

Consumption - Imports = induced expenditures.