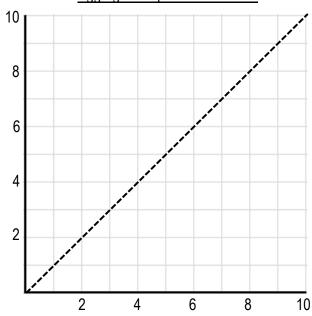
## **CONCEPT:** GRAPHING MACROECONOMIC EQUILIBRIUM

• The aggregate expenditures model describes the relationship between \_\_\_\_\_ and \_\_\_\_

☐ In the AE model, think like this:

AE =	Consumption	Investment	Government Purchases	Net Exports
			<b></b>	J

## Aggregate Expenditures Model



	Amount (in billions)	
Consumption	2 + 0.5Y	
Investment	1	
Government Purchases	0.5	
Net Exports	0.5	
C+I		
C + I + G		
C + I + G + NX		

□ Macroeconomic Equilibrium occurs where the AE (C + I + G + NX) line crosses the \_\_\_\_\_