EE212 2/2021

Assignment 15: Government spending and AD-AS model

If government decide to reduce government spending, how this situation affect real interest rate (r) and real income (Y) in the IS-LM model and equilibrium price (p) and equilibrium output (Y) in AD-AS model. You should explain all the steps and the adjustment process similar to what I did in my lecture.

Deadline: Sunday May 1st, 2021 midnight

Note: Please name your file as Assignment_15_Government_spending_and_AD_AS_Model