

EE212 1/2022

Assignment 7: Government spending and IS-LM model

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

Deadline: Thursday November 10th, 2022 midnight

Note: Please name your file as **Assignment_7_Government_spending_and_IS_LM_Model**