



Factors determining  
Desired Aggregate Expenditure - DAE  
Develop DAE function and find Equilibrium Income ( $Y_E$ )



**Change in Factors**  
⇒  $\Delta$  DAE  
⇒  $\Delta$  Equilibrium Income



Compare  $Y_E$  with  $Y_F$   
⇒ Output Gap  
⇒ Economic Policy