



The Goods Market

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- Equilibrium output:

$$Y = \frac{1}{1-c_1}(c_0-c_1T+I+G)$$

since
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$$Y = \underbrace{\frac{1}{1 - c_1}}_{\text{multiplier}} \underbrace{(c_0 - c_1 T + I + G)}_{\text{autonomous spending}}$$

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