

**Formula Sheet: Exam #2**  
**Econ 3133**  
**Dr. Keen**

$$\text{GDP} = C + I + G + (X - \text{IM})$$

$$Y_d = (1 - t) \times Y$$

$$C = a + b \times Y_d$$

$$\Delta Y = [1 / (1 - b \times (1 - t))] \times \Delta I$$

(the same equation holds for a  $\Delta a$ ,  $\Delta G$ , or  $\Delta(X - \text{IM})$  on the right hand side)

$$(X - \text{IM}) = X - m \times Y_d$$

$$\Delta Y = [1 / (1 - (b - m) \times (1 - t))] \times \Delta I$$

(the same equation holds for a  $\Delta a$ ,  $\Delta G$ , or  $\Delta X$  on the right hand side)

$$I = e - d \times R$$

$$(X - \text{IM}) = (g_X - g_{\text{IM}}) - (n_X + n_{\text{IM}}) \times R - m \times Y_d$$

$$M^S = (k \times Y - h \times R) \times P$$

$$(Y - Y^*) / Y^* = -2 \times (u - u^*)$$

$$\pi = \pi^e + f[(Y_{-1} - Y^*) / Y^*]$$