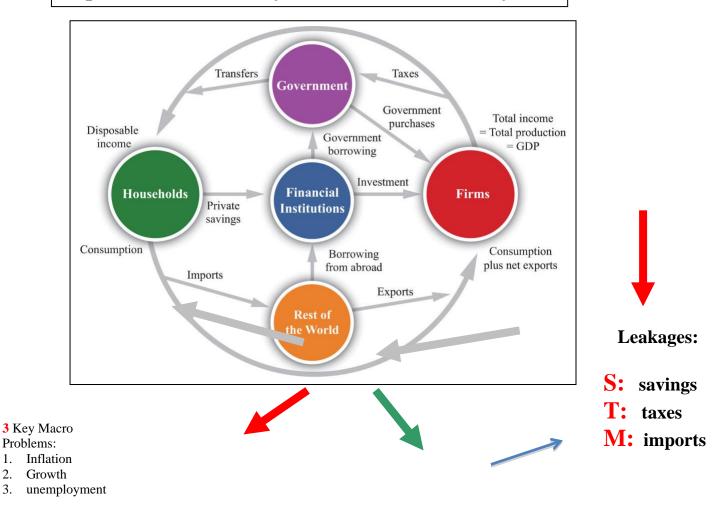
## Alternative Macro circular flow of income: showing importance of Monetary sector to whole economy



Fiscal Policy

1. 2.

> Deficit Contractionary fiscal policy National Debt Rises (recession) (T-taxes rise, G falls) (ND) (note: government could try to spend their way out of a recession and in the case G could rise and/or T fall but ND will increase further) Surplus Expansionary National Debt Falls (T falls, G rises)

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