

The goods market

EC 235 | Fall 2023

Required readings:

- Blanchard, ch. 3.

After reviewing some of the most important macroeconomic variables—*output*, *(un)employment*, and *inflation*—, it is time to start diving into the actual *name* of this course:

- *Macroeconomic Theory!*

And we will start this process by looking at the *composition* of aggregate output (GDP).

Never forget:

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