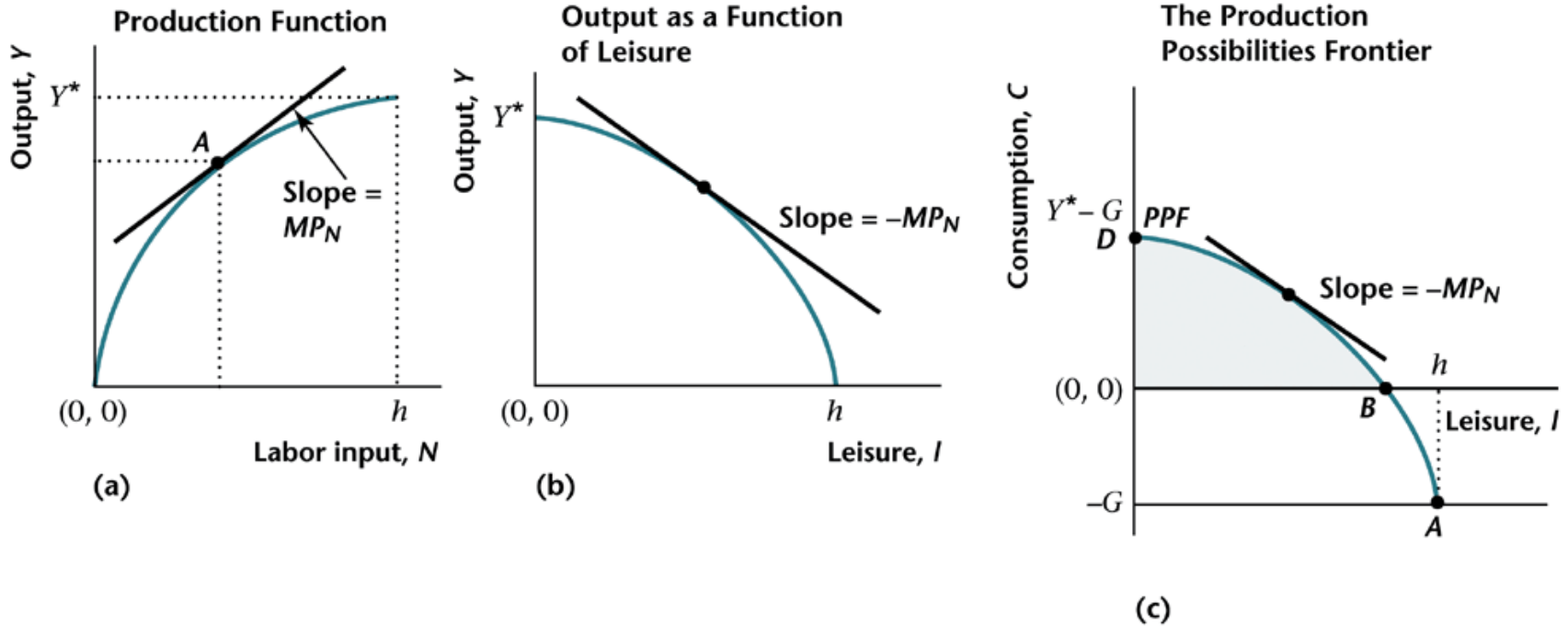# Chapter 5

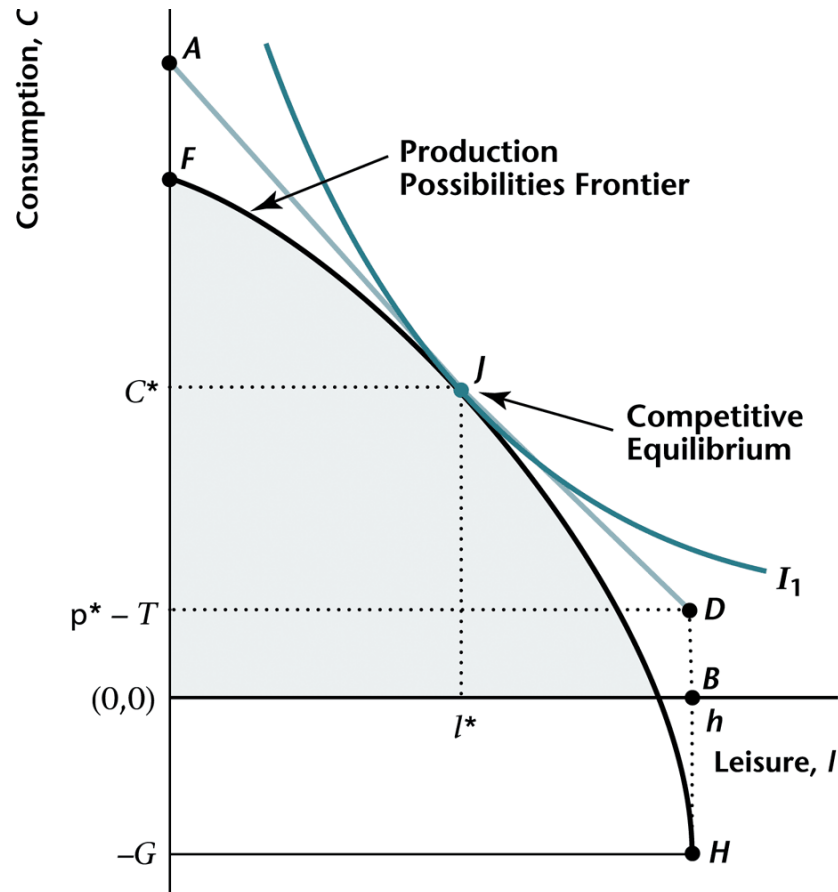## A Closed-Economy Model One-Period Macroeconomic Model

Figure 5.1 A Model Takes Exogenous Variables and Determines Endogenous Variables
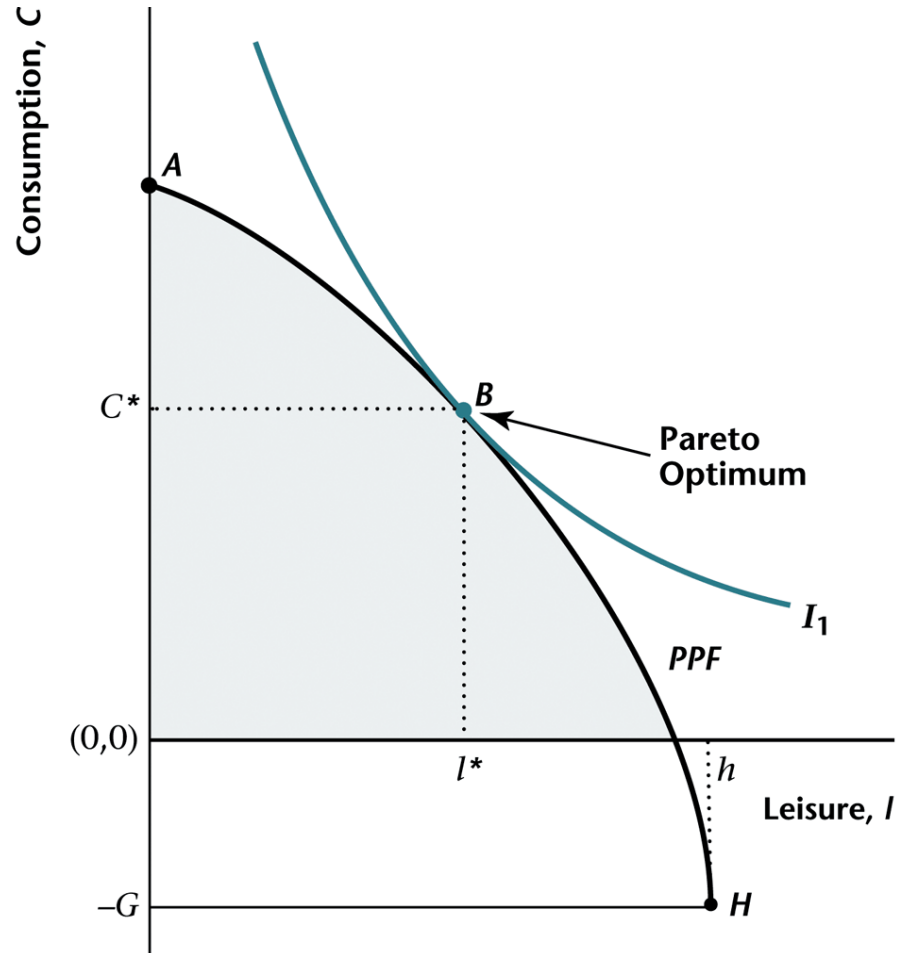
Figure 5.2 The Production Function and the Production Possibilities Frontier
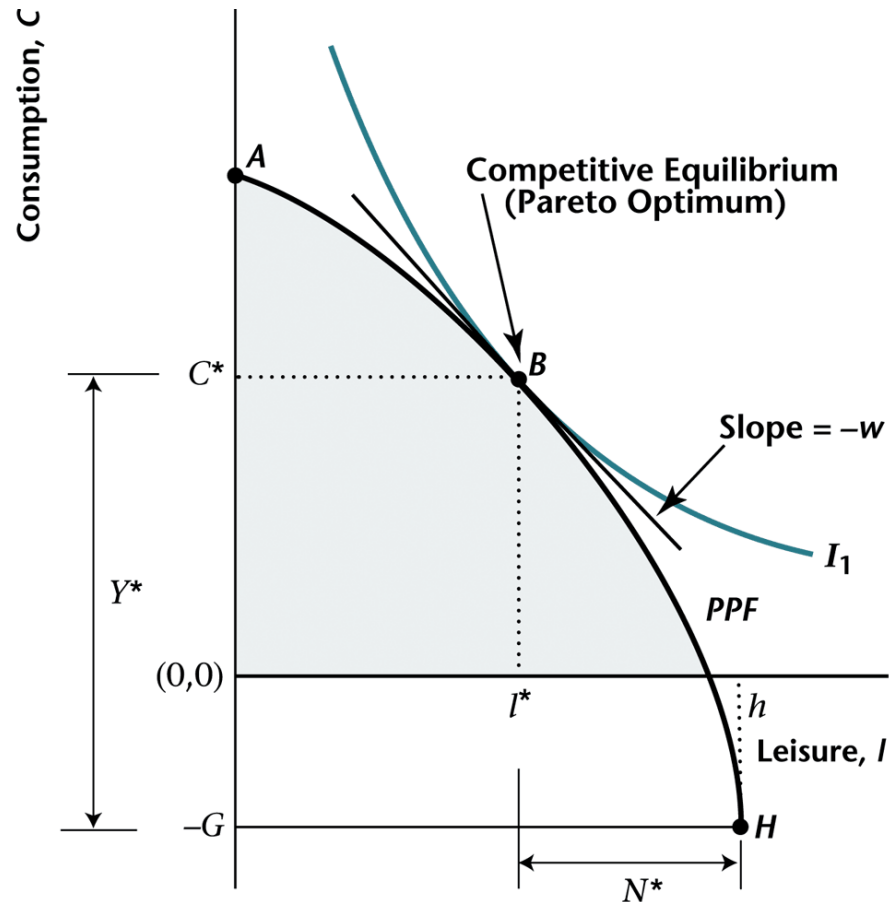
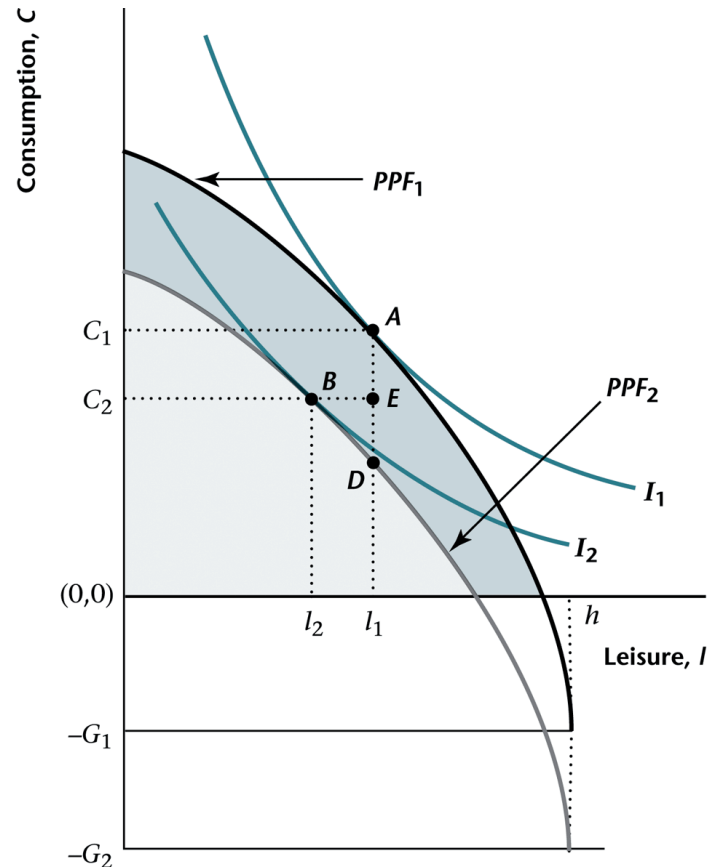# Figure 5.3 Competitive Equilibrium

Figure 5.4 Pareto Optimality

Figure 5.5 Using the Second Welfare Theorem to Determine a Competitive Equilibrium
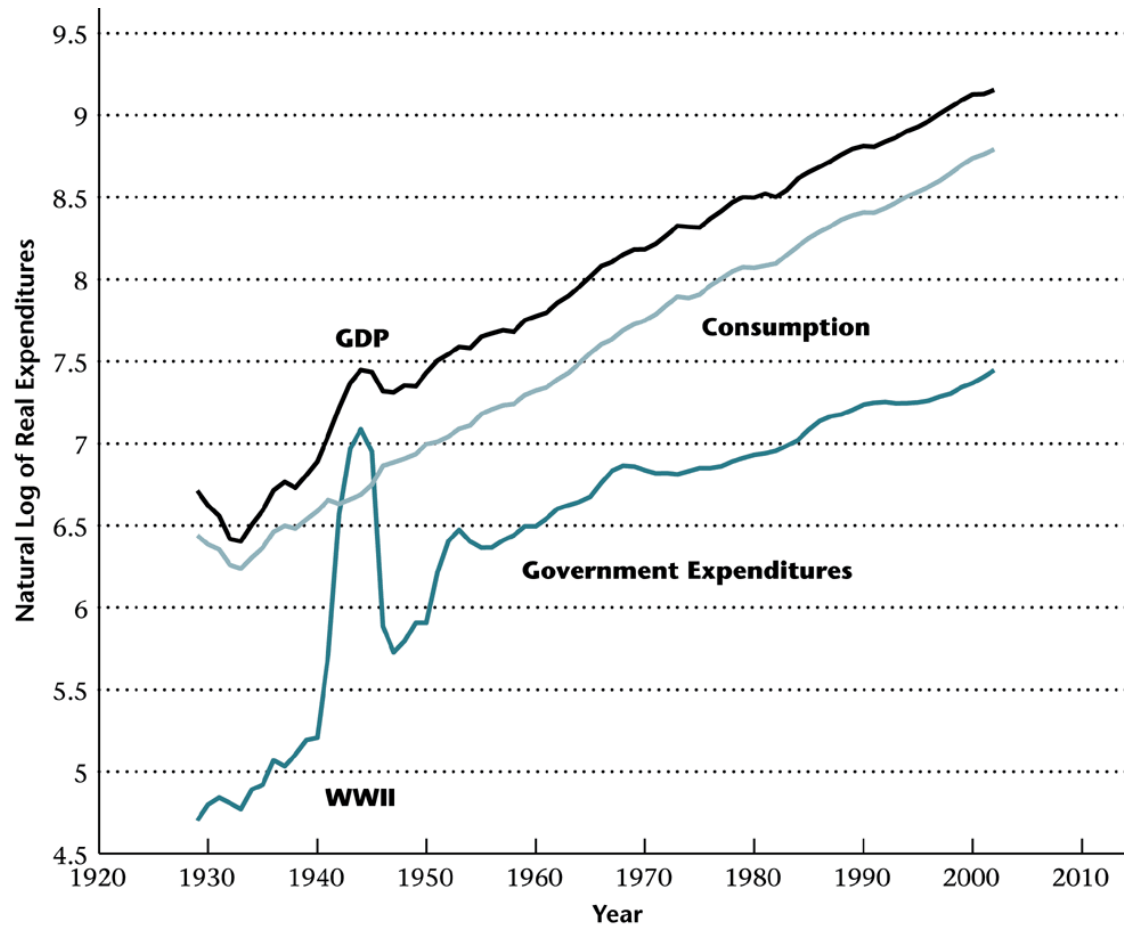
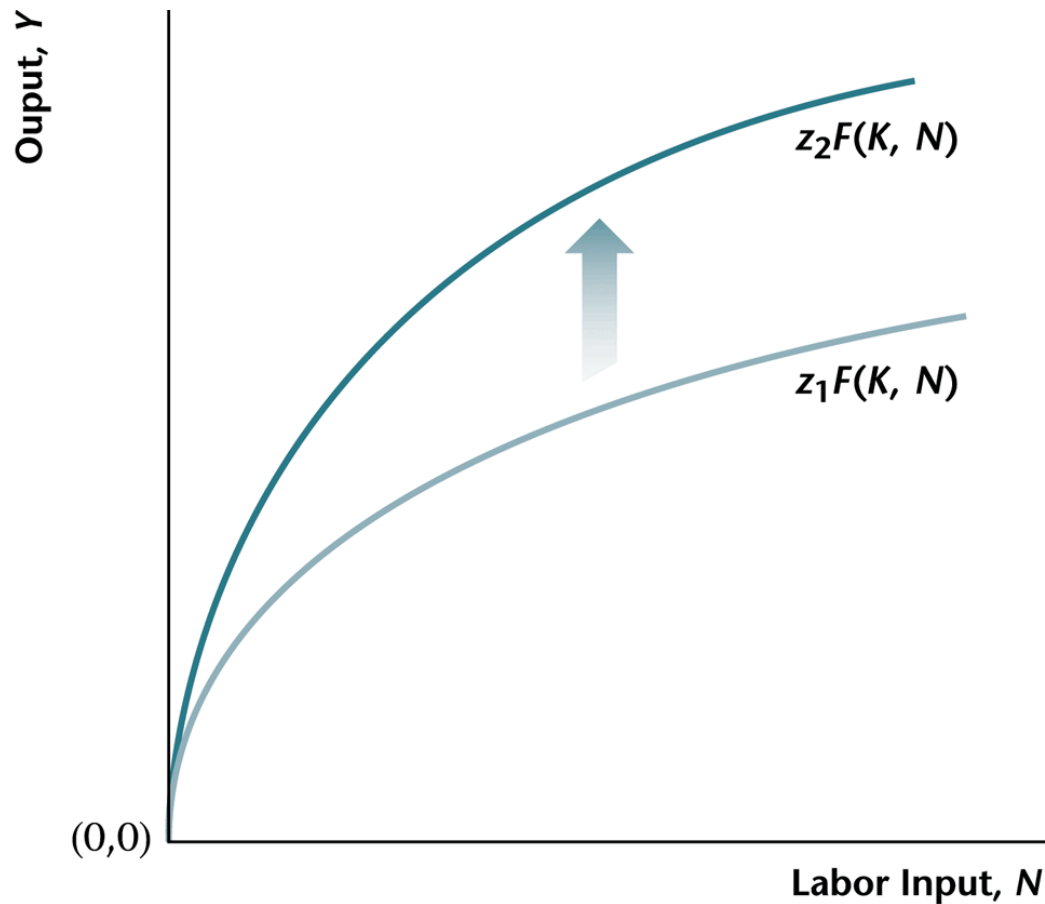# **Figure 5.6** Equilibrium Effects of an Increase in Government Spending

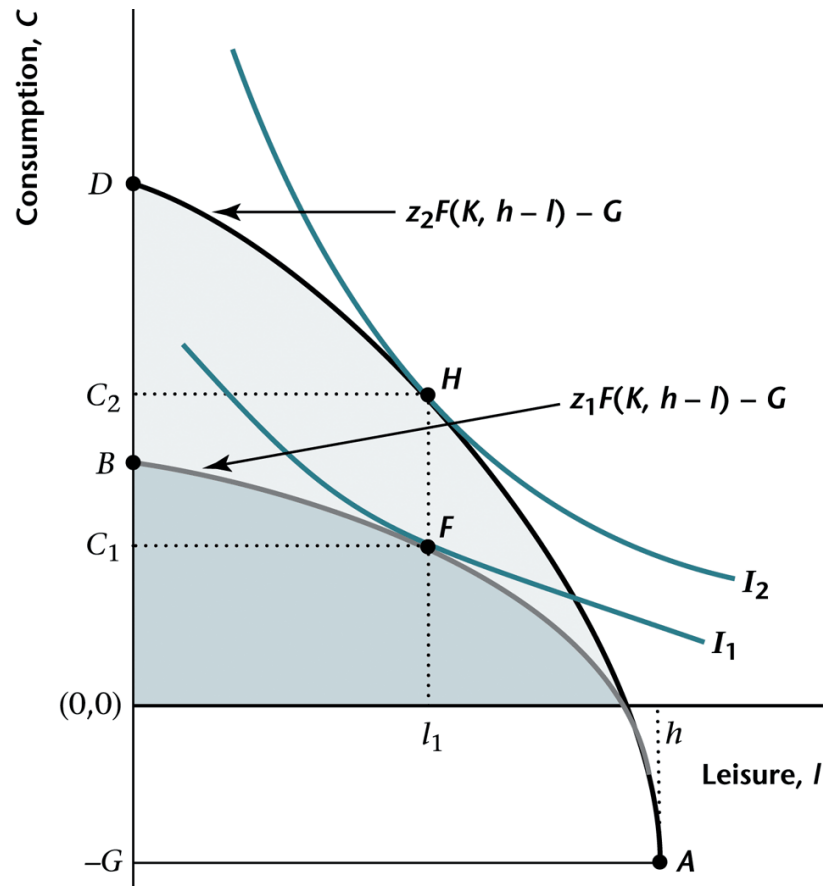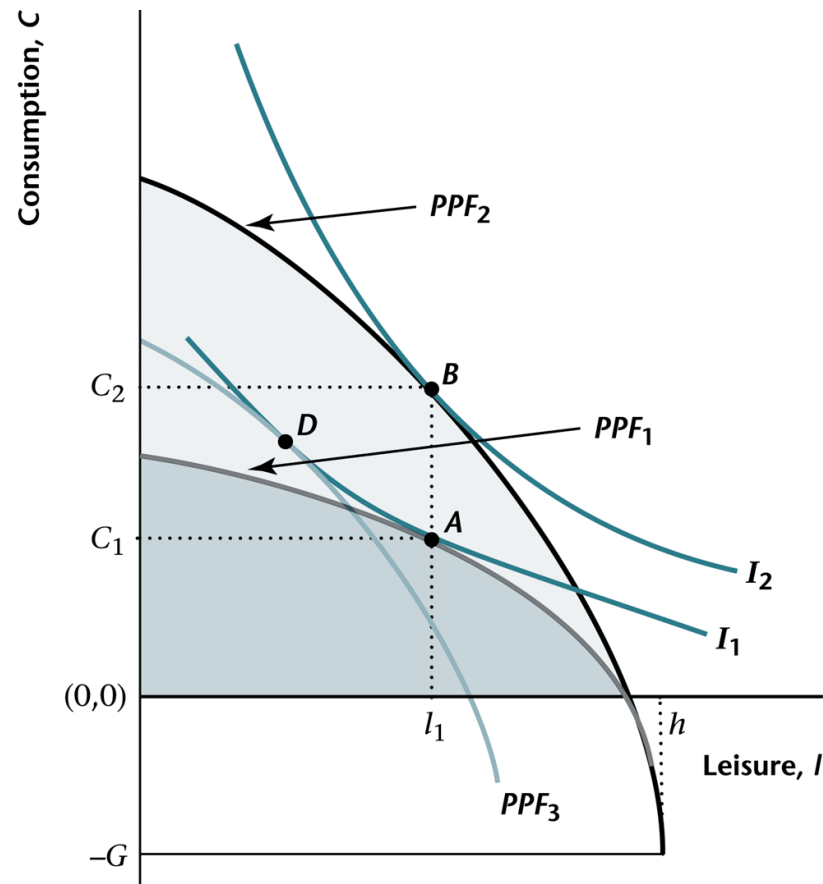# **Figure 5.7** GDP, Consumption, and Government Expenditures

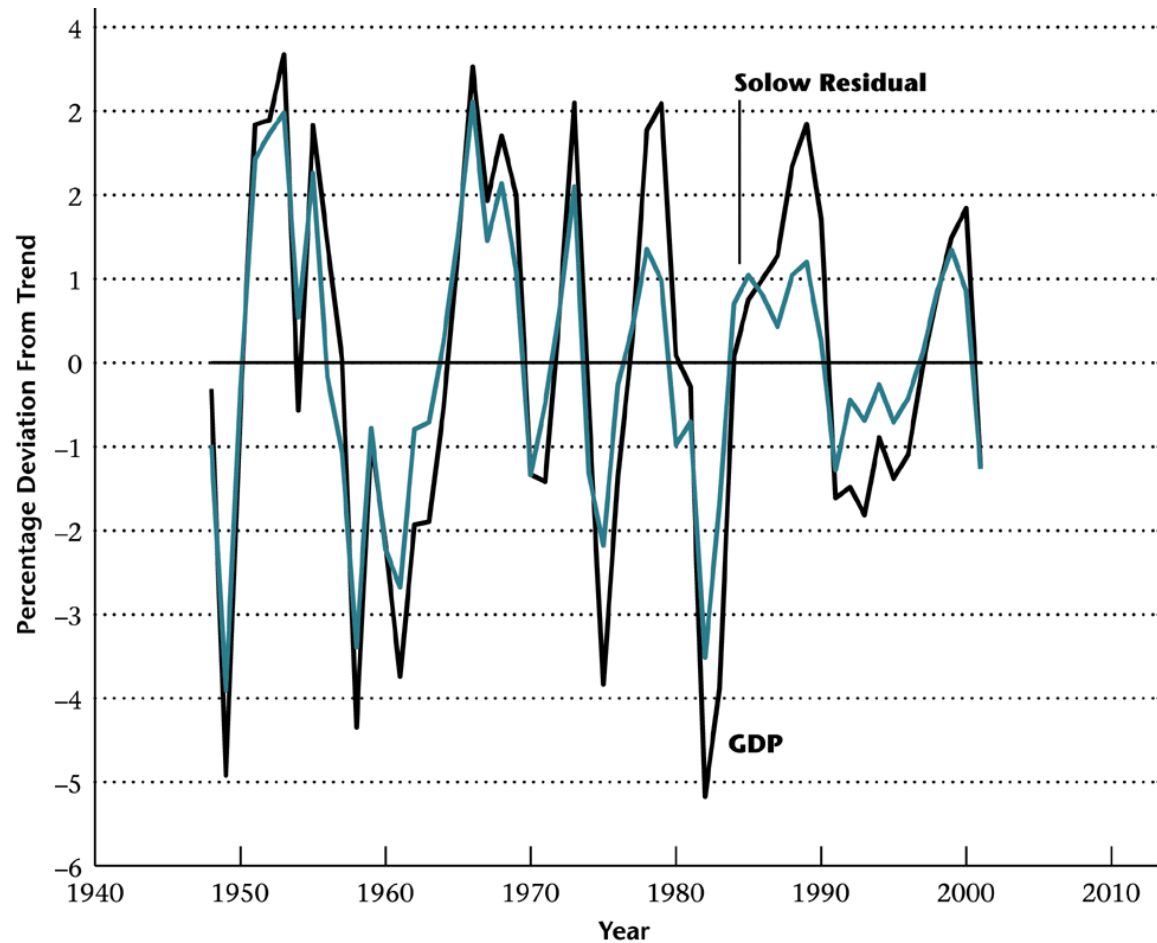# Figure 5.8 Increase in Total Factor Productivity

Figure 5.9 Competitive Equilibrium Effects of an Increase in Total Factor Productivity

Figure 5.10 Income and Substitution Effects of an Increase in Total Factor Productivity

Figure 5.11 Deviations from Trend in Real GDP and the Solow Residual

Figure 5.12 The Relative Price of Energy