

## Glossary

### Chapter 8

<b>aggregate demand (AD)</b>	the total demand for all the final goods and services in the economy (p. 159)
<b>aggregate demand curve</b>	a graphical representation that shows the inverse relationship between the price level and RGDP demanded (p. 168)
<b>average propensity to consume (APC)</b>	the fraction of total disposable income that households spend on consumption (p. 160)
<b>dissaving</b>	consuming more than total available income (p. 166)
<b>marginal propensity to consume (MPC)</b>	the additional consumption resulting from an additional dollar of disposable income (p. 160)
<b>national saving</b>	the sum of both private and public saving (p. 164)
<b>net exports</b>	the difference between the value of exports and the value of imports (p. 161)
<b>open economy</b>	a type of model that includes international trade effects (p. 161)
<b>private saving</b>	the amount of income that households have left over after consumption and taxes (p. 164)
<b>public saving</b>	the amount of income that the government has left over after paying for its spending (p. 164)