
Circular Flow

1. Within an open economy, we have the following data:

- Salary of households paid by Enterprises $Y_{H/E} = 210$
- Consumption of households $C_H = 140$
- Taxes of households $T_H = 90$
- Salary of households paid by the government $Y_{H/G} = 70$
- Transfer from government to households $Z_H = 10$
- Investment of enterprises $I_E = 60$
- Investment of the government $I_G = 20$

Additionally, we know that the export surplus is 40, while imports are 10 and Net transfers from households to foreign countries are 10. Furthermore government consumption is twice as large as investment of the government and taxes of enterprises are one third below the taxes of households. Finally there is no investments of the households.

- (a) How many poles (sectors) has this circular flow?
- (b) Indicate all directly given money flows.
- (c) Close the circular flow.
- (d) Calculate the value of the current account.