Tutorial 2

1. Consider a closed economy

   (a) Which sectors has such an economy?

   (b) What is considered under the "Axiom of the closed circl"?

   (c) The following data is known:

   - Private consumption $C_H = 90$
   - Taxes of households $T_H = 60$
   - Salary of Households paid by the government $Y_{H/St} = 40$
   - Private savings $S_H = 30$
   - Private investment $I_H = 10$
   - Salary of Households paid by Enterprises $Y_{H/E} = 80$
   - Due to the current situation, we do not expect the state to accumulate savings. Moreover, the taxes of enterprises is twice as high as that of households, and subsidies to companies correspond to transfers of the government to households. Last but not least, enterprises plans have worked out and, without any unplanned investments, savings and investments by enterprises have balanced each other out in the past period.

   Determine the missing variables and, in particular, answer the question by how much the investments of enterprieses exceed private investment.