Consider the following macroeconomic model:

$$Y = C + I + G$$
$$C = \bar{C} + 0.75(Y - T)$$
$$T = 0.20Y$$
$$I = \bar{I}$$
$$G = \bar{G},$$

where $\bar{C}, \bar{I}$, and, $\bar{G}$ are constants. We assume that this is a closed economy, so $PCA = 0$.

1. Derive the expression for the DD curve. What is its slope?

2. What is the multiplier?

3. Compare your results to the expression in Box 10.2. How is it similar and/or different?