



Instructions: Analyze each market within the Circular Flow Diagram (Product/Goods, Labor, Financial/Capital, Foreign Exchange, and Government markets). That is, explain their core functions of each market and identify the key participants, tracing both real and monetary flows between households, firms, and government, analyzing how market disruptions create ripple effects throughout the macroeconomy with specific real-world examples, and evaluating policy implications including unintended consequences and optimization strategies. Here's a refresher on the basics: <https://prezi.com/gz9jqc1nfhw/circular-flow-of-income/>

Saving | Investment Exports | Imports
Government spending | Taxes

Payments for goods and services
Income (wages-labor/interest-capital/profit-businesses/rent-land&buildings/)

Revenue from selling and services
Payments for resources (rent/wages/interest/profit)

The Circular Flow of Resources, Goods, Services, and Money Payments

Money that flows in and out of the Circular Flow Model of the Economy

