

Answer on Question#37772 – Economics – Macroeconomics

d. increased investment spending

Investment spending generally relates to the creation and acquisition of capital goods with the intent of using them to try to stimulate economic production. Capital goods are products that are needed to create other goods. These items can include equipment, machinery, buildings, and roads. Individuals, businesses, and governments try to use investment spending to make certain types of expenditures work in their favor by producing long-term benefits.