ABSTRACT WE WILL START THIS ARTICLE BY DEVELOPING A CLEAR UNDERSTANDING OF THE TERMS AGGREGATE SUPPLY AND EMPLOYMENT STARTING OFF WITH AGGREGATE SUPPLY TO UNDERSTAND ITS TERMINOLOGIES AND THE FACTORS THAT ARE RESPONSI INCLINE OR DECLINE, ALONG WITH AGGREGATE SUPPLY CURVE AND UNDERSTANDING IT, THEN COMING THE TERM "EMPLOYEES" AND WHO ARE THEY BEFORE CONCLUDING EVERYTHING WE WILL DRAW A CLEAR CUT RELATIONSHIP BETWEEN AGGREGATE SUP ON THE EMPLOYEES. STARTING WITH THE TERM AGGREGATE SUPPLY CAS) IT IS DEFINED AS THE TOTAL AMOUNT OF GOODS AND SERVICES CREAL OUTPUT) PRODUCED AND SUPPLIED BY AN ECONOMY'S FIRMS OVER A PERIOD OF TIME. IT OTHER WORDS IT IS THE MEASURE OF VOLUME OF GOODS AND SERVICES PRODUCED EACH YEAR. THIS SUPPLY REPRESENTS THE ABILITY OF A CERTAIN ECONOMY TO PRODUCE AND DELIVER GOODS AND SERVICES TO MEET THE DEMAND. IT CAN ALSO BE SAID THAT IT IS THE MEASURE OF ONE'S STATE OR NATIONS ABILITY TO PRODUCE GOODS AT EVERY PRICE LEVELS THAT IS USUALLY DESCRIBED IN A GRAPHICAL FORM. THE COMPONENTS (GOODS) THAT AGGREGATE SUPPLY CONSISTS OF ARE CONSUMERS GOODS PRIVATE CONSUMER GOODS LIKE MOTOR VEHICLES, CLOTHES AND ENTERTAINMENT ARE SUPPLIED BY PRIVATE SECTOR. FOR A DEVELOPED ECONOMY THIS IS THE SINGLE LARGEST COMPONENT OF THE AGGREGATED SUPPLY. CAPITAL GOODS SUCH AS MACHINERY EQUIPMENT AND PLANTS ARE SUPPLIED TO VARIOUS FIRM, THESE ARE SIGNIFICANT FOR IN ORDER TO INCREASE IN ECONOMY ABILITY TO SUPPLY GOODS TO THE PRIVATE SECTORS. PUBLIC AND MERIT GOODS GOOD AI AFTER GOING THROUGH THE TYPES OF GOODS THAT ARE INCLUDED IN THE AGGREGATED SUPPLY LETS GO OVER THE MAJOR FACTOR THAT AFFECTS THE AGGREGATED SUPPLY ALSO KNOWN AS “CETRIS PARIBUS" THAT DEFINES THE NATIONS/STATE SUPPLY AE THE PRICE OF THE GOODS, HAVING A MEASURED EFFECT ON THE SUPPLY OF A CERTAIN GOODS RELATED TO THEIR DEMANDS, FOR EXAMPLE IF THE PRICE OF A COMMODITY IS TOO HIGH ITS DEMAND WILL CERTAINLY BECOME LOW, SIMILARLY IF THE PRICE I WILL ALSO BE MORE, THUS THE COMMODITY HAVING THE HIGHEST DEMAND WILL BE PRODUCED IN ABUNDANCE RELATIVE TO THE ONE HAVING LESSER DEMAND. THE MORE THE PRODUCTION THE MORE THE INCREASE IN THE NATIONS AGGREGATED SUPPLY A THE PRICE OF LABOR FORCE, LABORS ARE A CRUCIAL PART OF ANY ORGANIZATION WITHOUT WHICH THE PRODUCTION CAN BE COMPLETELY PARALYZED, HOWEVER HAVING MORE LABORS DOESN'T ALWAYS MEAN THAT THE COMPANY WILL PROSPER IN ITS HAVING EXTRA WORK FORCE IS ALWAYS BETTER AND IT INCREASES THE OVERALL PRODUCTION, THUS IN TURN INCREASING THE OVERALL SUPPLIES BUT THE WAGES OF THE LABOR ALSO COMES INTO PLAY IF THE COMPANY STARTS OVER HIRING PEOPLE THEY WILL ALSO HAVE TO PAY EXTRA AND WILL HAVE TO RESORT TO INCREASING THE PRICE OF THEIR SUPPLY TO MEET THE EXPENSES.PAYING MORE EXTRA WAGES IS ALSO NOT GOOD AS IT ALSO DECREASES PRODUCTION AND INCREASES EXPENSES, SO EVE THEIR SUPPLY, WHICH IS BENEFICIAL FOR THE OVERALL AGGREGATED SUPPLY. PRICE OF INPUT, THE COST OF RAW MATERIALS LIKE STEEL, IRON ETC. OR THE EXPENSE OF ENERGY AND GAS REQUIRED FOR IN ORDER TO MANUFACTURE A CERTAIN PRODUCT ALSO PLAYS A KEY ROLE IN DETERMINING THE OUTPUT OF A SUPPLY, FOR EXAMPLE IF THE COST OF RAW MATERIAL IS HIGH SO DOES THE COST OF PRODUCTION THUS LIMITING PRODUCTION, BUT WHEREAS IF FOR SOME REASON THE COST OF RAW MATERIAL LIKE OIL AND FUEL DECREASES THUS IN THAT CASE THE PRODUCTION WILL INCREASE BECAUSE OF THE LOW PRODUCTION COST. THUS IT STATES THAT THE HIGHER THE TECHNOLOGY, THIS IS ONE OF THE MOST IMPORTANT FACTORS IN ITSELF AND CAN HAVE A SIGNIFICANT INCREASE IN THE SUPPLY DEPENDING ON THE ADVANCEMENTS AND IMPROVEMENTS IN THE OVERALL EFFICIENCY OF THE PRODUCTION. HAVING NEWER TECHNOLOGY IN PLAY NOT ONLY INCREASES THE OVERALL EFFICIENCY BUT ALSO REDUCES THE WORK TIME FOR PRODUCTION THUS INCREASING SUPPLIES, ALSO USING TECHNOLOGY MANY PROCESSES CAN BE AUTOMATED CUTTING DOWN LABOR COST AND INCREASING PRODUCTION. THUS WE CAN SAY THAT AN INTRODUCTION OF NEWER MUCH MORE ADVANCEMENT IN TECHNOLOGY IS ALWAYS GOOD FOR INCREASING THE AGGREGATED SUPPLY.THE VALUE OF CAPITAL STOCH,IT IS THE AMOUNT OF MONEY AVAILABLE IN AN ECONOMY FOR IN ORDER TO INVEST IN BUSINESS TO PURCHASE THE NECESSARY ITEMS USED FOR PRODUCING GOODS AND RESELLING THEM FOR FUTURE PROFITS, THUS MULTIPLYING THE CAPITAL STOCKS. USING A CAPITAL STOCH, THE PRODUCING BUSINESS CAN INVEST IN BUYING MORE EFFICIENT MACHINERIES AND PAY FOR MORE WORKERS FOR IN ORDER TO INCREASE THEIR PRODUCTIONS. HAVING A GOOD CAPITAL STOCH IS THE AIM OF EVERY ECONOMY TRYING TO PROSPER, WITHOUT WHICH THE INVESTMENT GOES DOWN AND PRODUCTIONS SLOWS. SO IN SHORT HEEPING A GOOD CAPITAL STOCK FOR INVESTMENTS IS NECESSARY FOR INCREASE IN AGGREGATE SUPPLY FOR A NATION, AS IT DECREASES SO DOES THE AGGREGATE SUPPLY AGGREGATE SUPPLY CURVE AFTER GOING OVER THE FACTORS THAT AFFECT THE AGGREGATE SUPPLY NOW LET'S HAVE A LOOK AT ITS SUPPLY CURVES, WHICH SHOWS TH QUANTITY OF GOODS AND SERVICES PRODUCED BY THAT NATION OR ITS SUPPLIERS. THERE ARE TWO TYPES OF CURVES THAT DEFINES THE AGGREGATE SUPPLY SHORT-RUN AGGREGATE SUPPLY CSRAS) FOR ON ORGANIZATION TO INCREASE ITS PRODUCTIVITY WITHOUT HAVING TO DO IT ALL FROM THE START, AND SECOND IS LONG-RUN AGGREGATE (LRAS) THAT IS USED FOR INVESTING IN SOMETHING NEW AND SETTING UP THE STRUCTURE. THE SRAS CURVE IS POSITIVELY SLOPED AND DEFINES THE ONE-TO-ONE RATIO BETWEEN THE PRICE LEVEL AND REAL PRODUCTION, WHEREAS THE LRASI INDICATING THAT THE REAL PRODUCTION IS INDEPENDENT OF THE PRICE LEVEL. WHEN THESE CURVES ARE CONSTRUCTED THE DETERMINANTS OF THE AGGREGATE SUPPLY ARE ASSUMED CONSTANT.THESE DETERMINANTS CAN HAVE A DIRECT EFFECT ON BOTH THE CURVES OR ON ONE DEPENDING ON THE DETERMINANT FOR EXAMPLE FLOW OF NET INVESTMENT THAT YIELDS PRODUCTIVITY WILL EFFECT BOTH OF THEM AND CAUSE THE AGGREGATE SUPPLY TO SHIFT RIGHT. WHEREAS THE HURDLES IN RAW MATERIALS ON TEMPORARY BASIS DUE TO WEATHER CONDITIONS OR DELAYS DUE TO TRAFFIC THAT EFFECTS THE PRODUCTION EFFECTS THE SRAS WHEREAS THE LRAS WI REMAIN CONSTANT. ALSO ON THE BASIS OF CHANGES IN THE EXPECTATIONS OF THE INFLATION, SRAS MIGHT SHIFT TO THE LEFT IF THE PRODUCERS BELIEVE THAT THEY CAN SELL IT IN THE FUTURE FOR MORE PROFITS NOT EFFECTING THE LRAS. AGGREGATE SU "EMPLOYEES", IT IS A PERSON OR A GROUP OF PERSONS EMPLOYED FOR WAGES OR SALARY AT AN ORGANIZATION, ESPECIALLY AT NON-EXECUTIVE LEVEL. NUMBER OF EMPLOYEES AND THEIR WAGES PLAY AN IMPORTANT ROLE IN DETERMINING THE AGGREGATE SUPPLY OF A NATION. LET'S START BY CONSIDERING A FACT THAT AGGREGATE SUPPLY WILL INCREASE WITH THE ABILITY TO PRODUCE MORE BY THE PRODUCERS, SO THUS HAVING LARGE NUMBER OF EMPLOYEES COULD RESU IN THE GROWTH OF THE AGGREGATED SUPPLY, HOWEVER, CONSIDERING THE SECOND FACTOR THEIR WAGES IF THEY ARE BEING PAID HIGHLY OR THE WAGES EXPENSES OF A COMPANY ARE HIGHER THAN THE PRICE OF THE PRODUCTION AND THE OUTPUT WILL TO THE DECREASE IN THE PRODUCTION OF THE SUPPLY.SO IT CONSIDERED TO BE THE BEST STRATEGY BY THE ORGANIZATION TO EMPLOYEE REQUIRED NUMBER OF PEOPLE ON MODERATE WAGES TO CUT DOWN PRODUCTION COST AND INCREASE THE SUPPLY, THUS BETTER AGGREGATE SUPPLY BY SPENDING LESS. AND LASTLY CONSIDERING THE FACTOR THAT THE INCREASE OF TECHNOLOGY HAS AUTOMATED MOST OF THE PROCESSES AND DUE TO WHICH THE AGGREGATED SUPPLY HAS INCREASED OVERALL AND IS UNEMPLOYMENT BUT BETTER SUPPLY. WE HAVE DISCUSSED ABOUT WHAT THE AGGREGATED SUPPLY IS AND THE MAJOR GOODS AND FACTORS AFFECTING IT AND CAN EASILY SAY THAT AGGREGATE SUPPLY IS THE ABILITY OF A COUNTRY TO PRODUCE AND FO IN ORDER TO MEET THE REQUIREMENT AND INCREASING THE CAPITAL. REGARDING THE EMPLOYEES, IT IS TRUE TO SAY THAT THE NUMBER OF EMPLOYEES WORKING AND THEIR WAGES EFFECT THE AGGREGATE SUPPLY DIRECTLY AND DEPENDING ON HOW THEY ESPECIALLY IN ABUNDANCE CAN PROVE LESS BENEFICIAL AS COMPARED TO THE FEW HANDFULS THAT ARE REQUIRED FOR IN ORDER TO PRODUCE MORE AND KEEPING THE DEMANDS OF THE PRODUCT HIGH FOR FUTURE PRODUCTIONS. REFERENCES HTTP://WWW.ECONOMICSONLINE.CO.UK/MANAGING THE ECONOMY AGGREGATE+SUPPLY.HTML HTTP://WWW.TUTOR 2U.NET/ECONOMICS/REFERENCE/AGGREGATE-SUPPLY HTTP://WWW.AMOSWEB.COM/CGI-BIN/AWB NAV.PL? S-WPD&C=DSP&K=AGGREGATE+SUPPLY DETERMINANTS HTTP://STUDY.COM/ACADEMYLESSON/AGGREGATE-SUPPLY-IN-THE-ECONOMY-DEFINITION-AND-DETERMINANTS.HTML HTTP://WWW.INVESTOPEDIA.COM/EXAM-GUIDE/CFA-LEVEL-1/ MACROECONOMICS/AGGREGATE-SUPPLY-DEMAND.ASP THERE ARE TWO TYPES OF CURVES THAT DEFINES THE AGGREGATE SUPPLY SHORT-RUN AGGREGATE SUPPLY CSRAS) FOR ON ORGANIZATION TO INCREASE ITS PRODUCTIVITY WITHOUT HAVING TO DO IT ALL FROM THE START, AND SECOND IS LONG-RUN AGGREGATE CLRAS) THAT IS USED FOR INVESTING IN SOMETHING NEW AND SETTING UP THE STRUCTURE. THE SRAS CURVE IS POSITIVELY SLOPED AND DEFINES THE ONE-TO-ONE RATIO BETWEEN THE PRICE LEVEL AND REAL PRODUCTION, WHEREAS THE LRASI INDICATING THAT THE REAL PRODUCTION IS INDEPENDENT OF THE PRICE LEVEL. 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