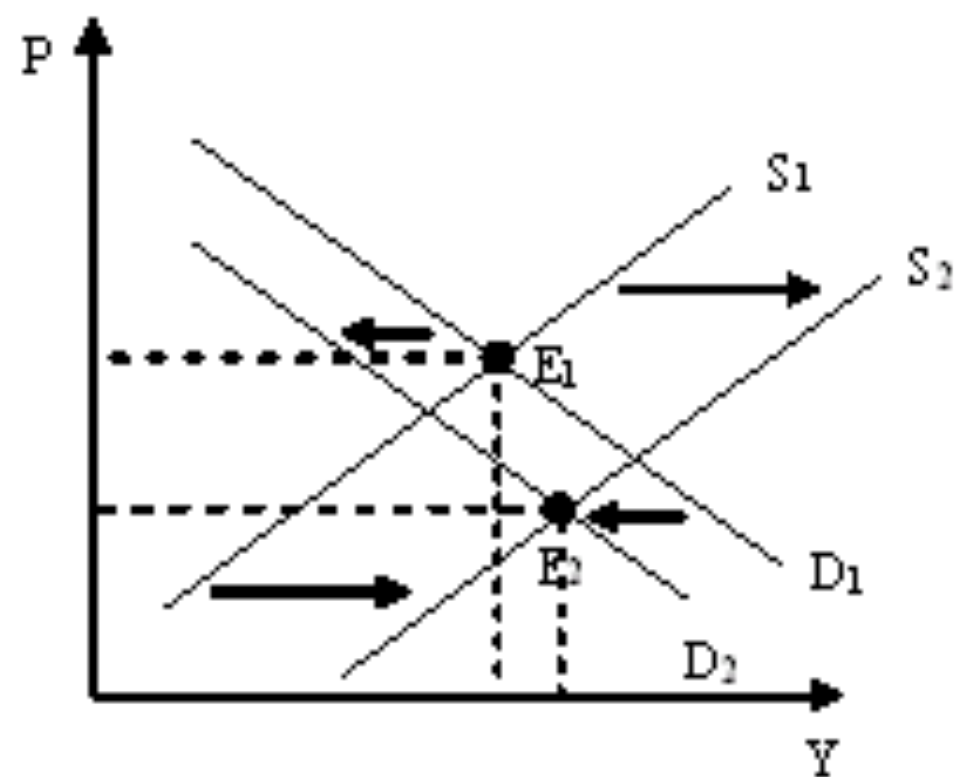
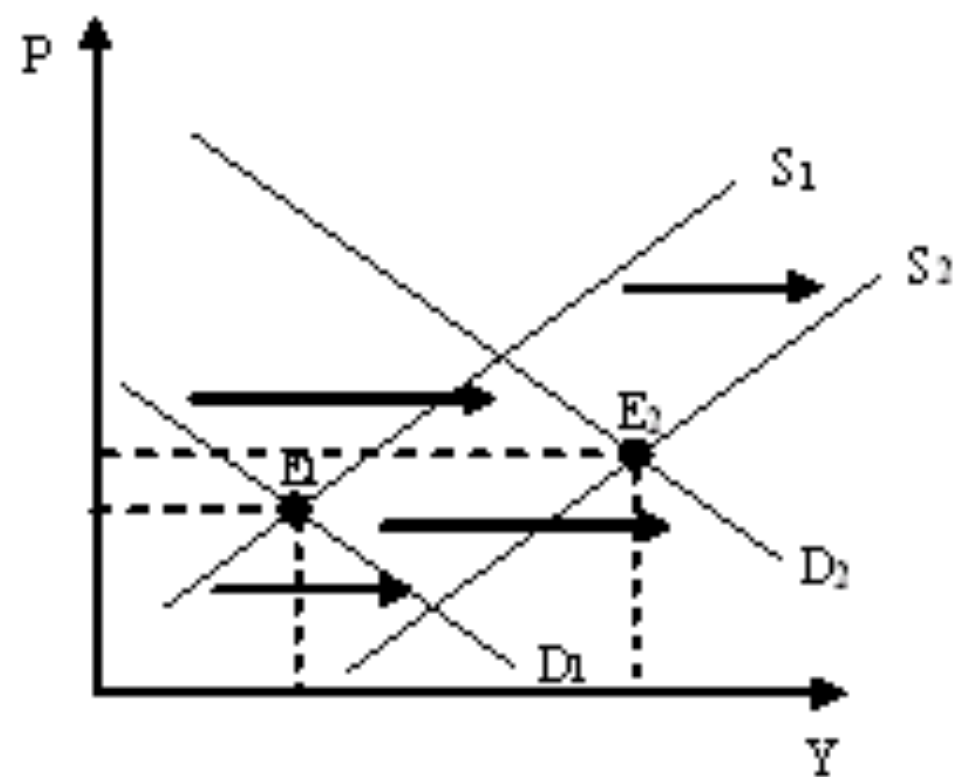


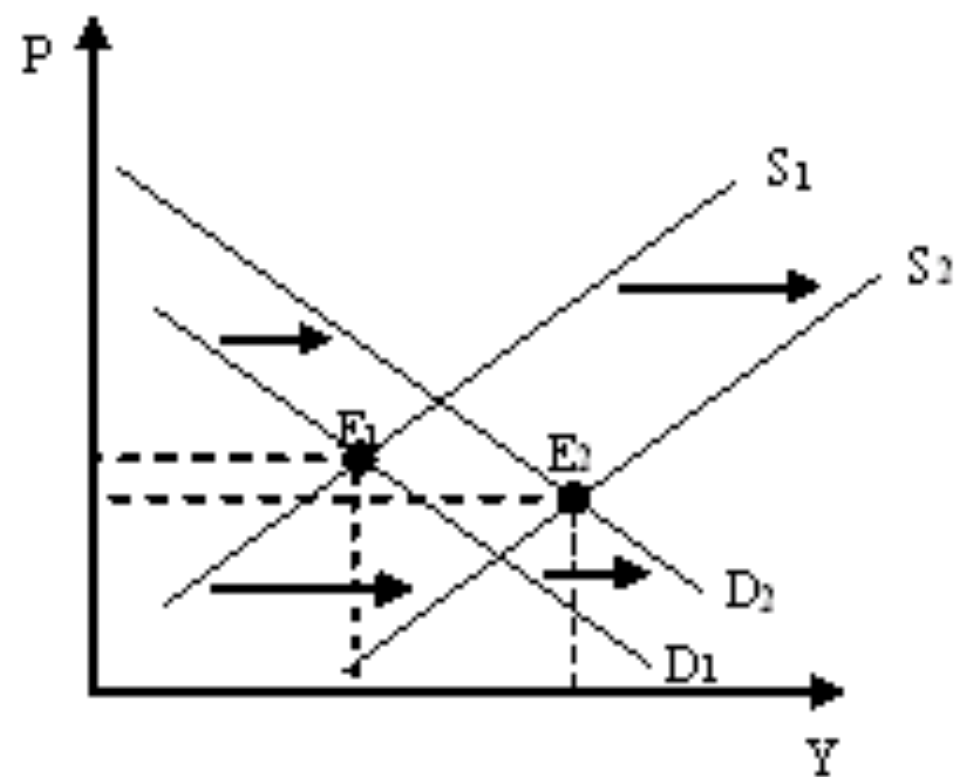
(A)



(B)



(C)



(D)

# 1. Economic growth and inflation

**2. Recession caused by a decrease in consumption and  
increase in productivity**

**3. Recession & deflation**  
**mainly caused by**  
**drop in AD**

**4. Expansion with inflation caused mainly  
by increase in AD**

**5. Expansion with deflation mainly  
caused by increase in AS**







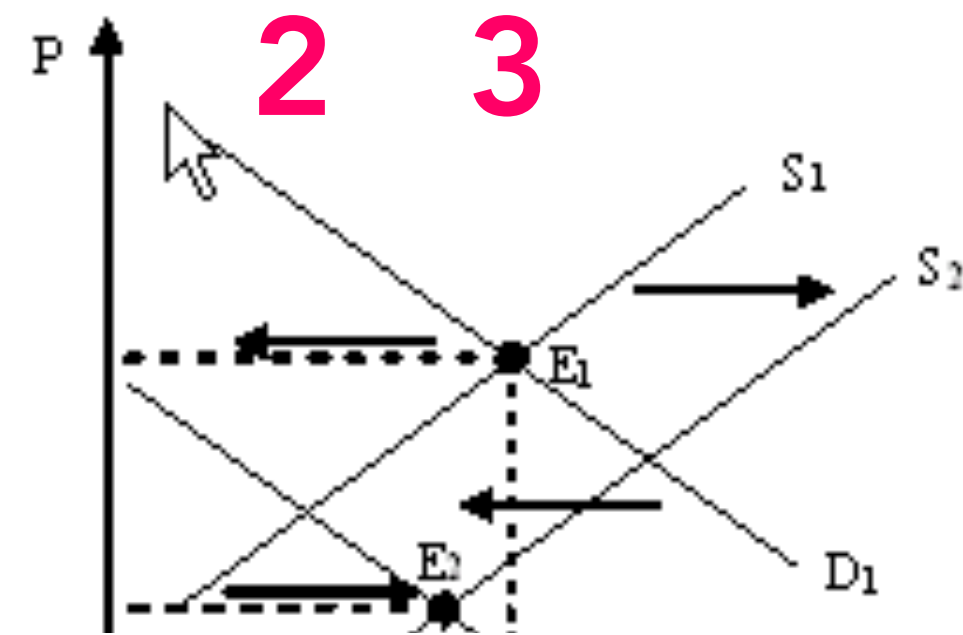


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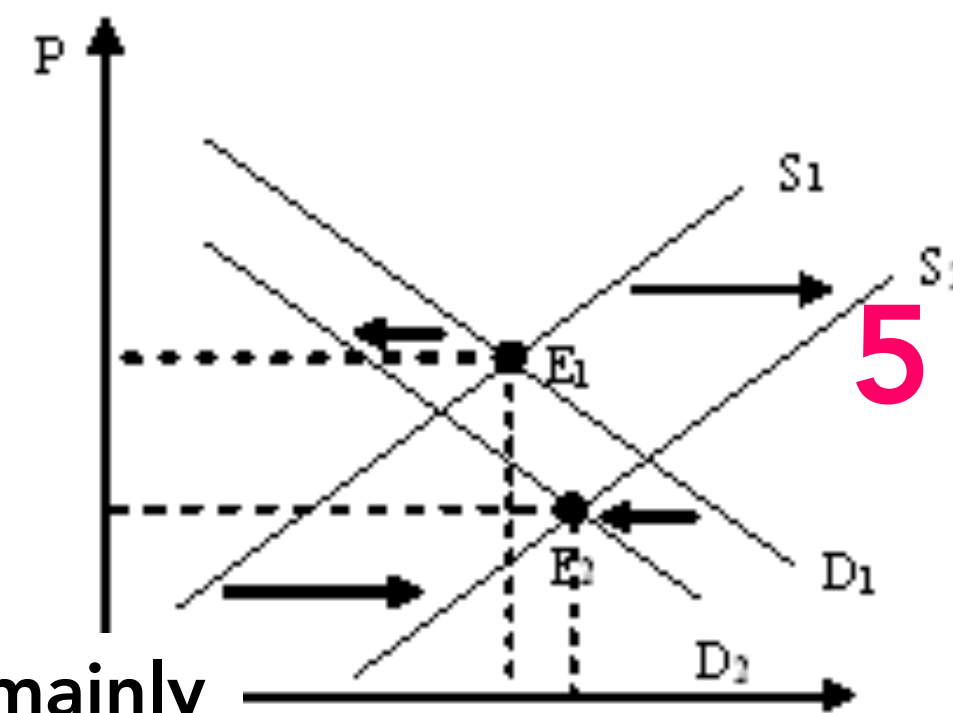
5



2. Recession caused by a decrease in consumption and increase in productivity



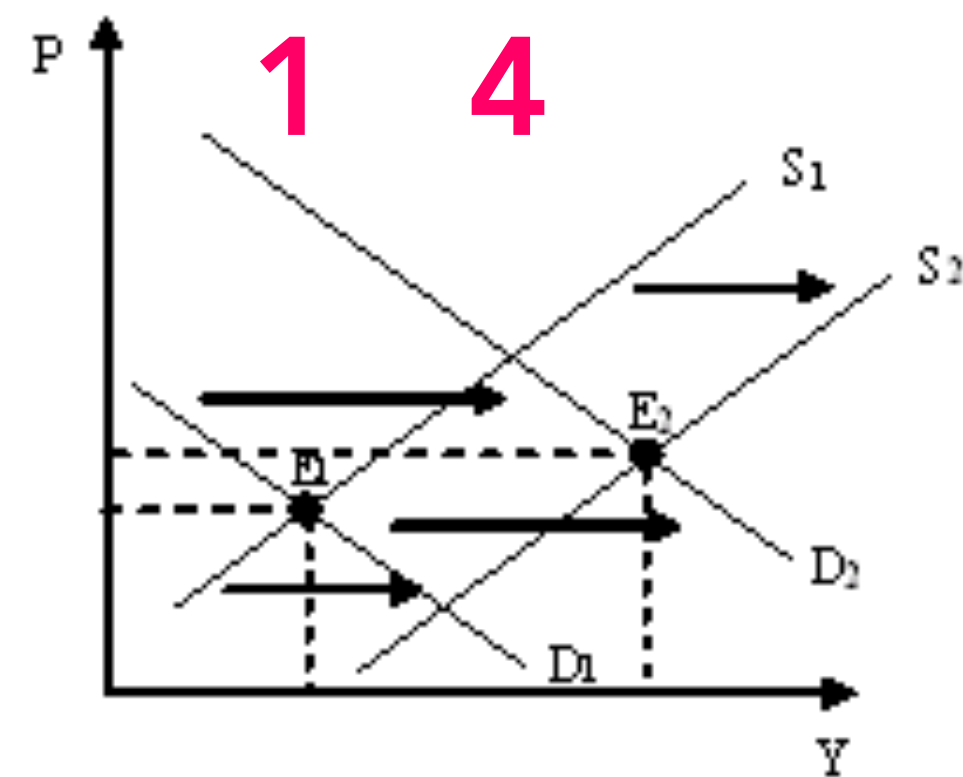
3. Recession & deflation mainly caused by drop in AD



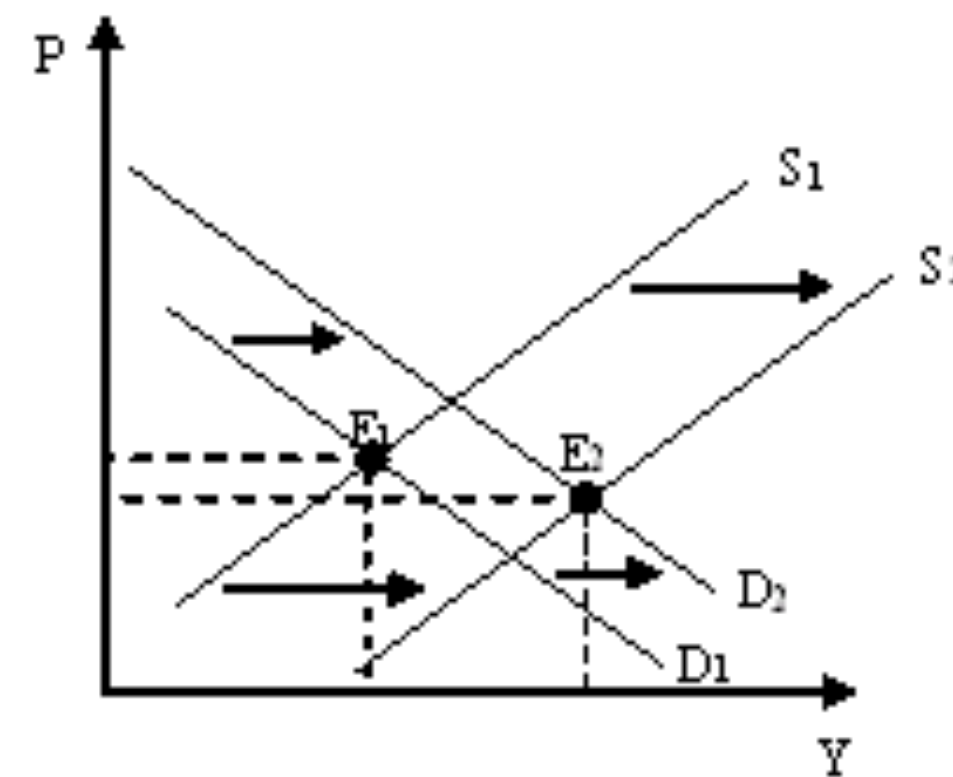
4. Expansion with inflation caused mainly by increase in AD

1. Economic growth and inflation

5. Expansion with deflation mainly caused by increase in AS



(C)



(D)

# Stagflation from a Supply Shock

