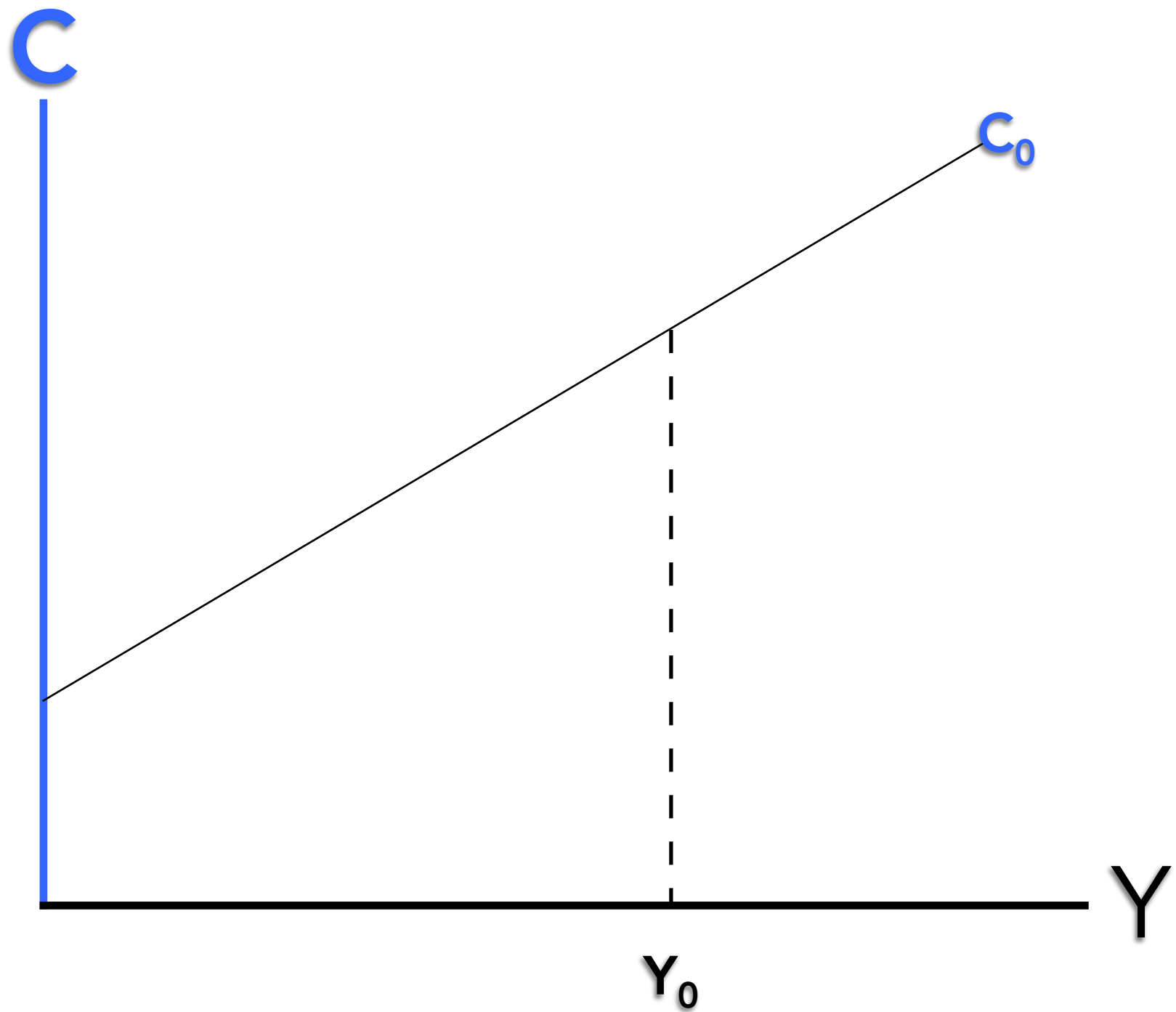
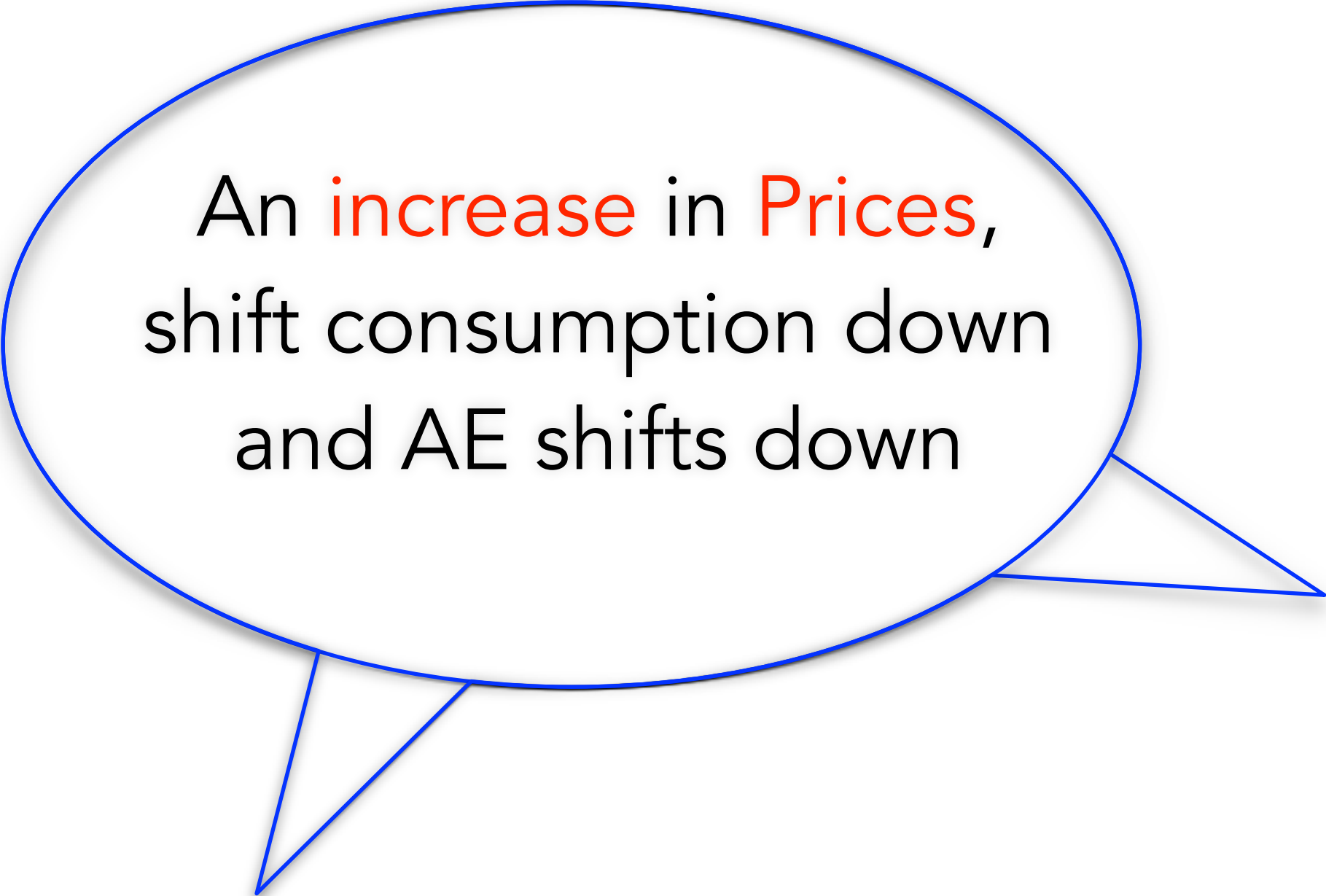


Q1

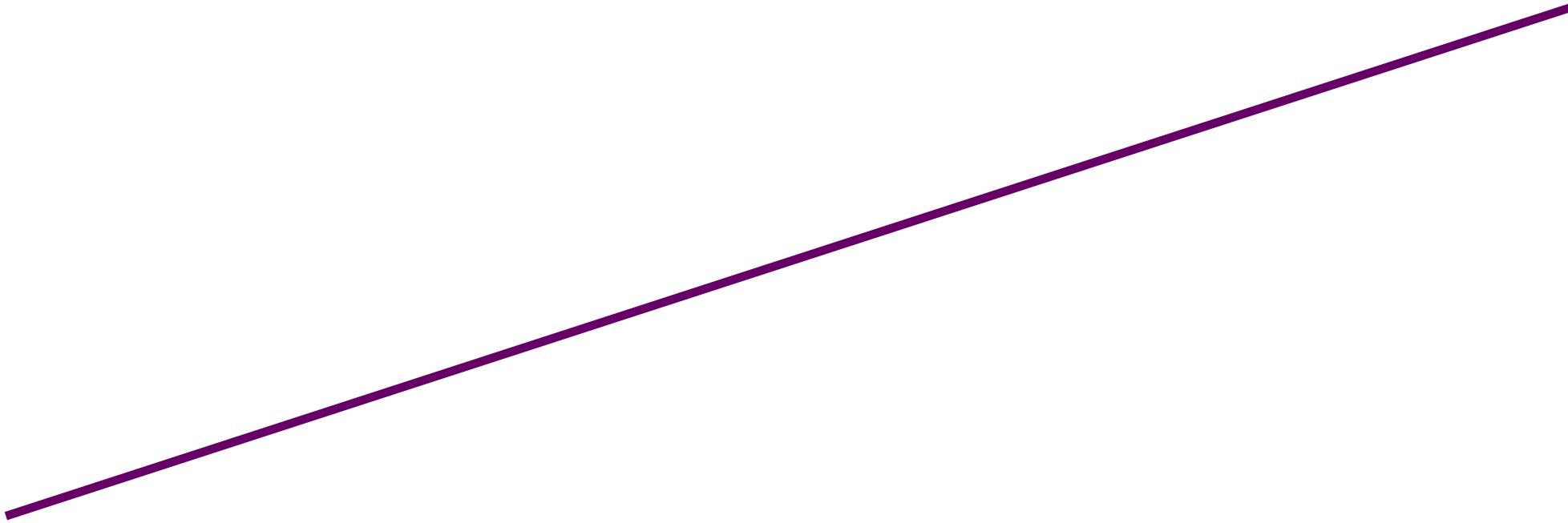






An **increase** in **Prices**,  
shift consumption down  
and AE shifts down

$$AE_1 = C_1 + I + G + NX$$



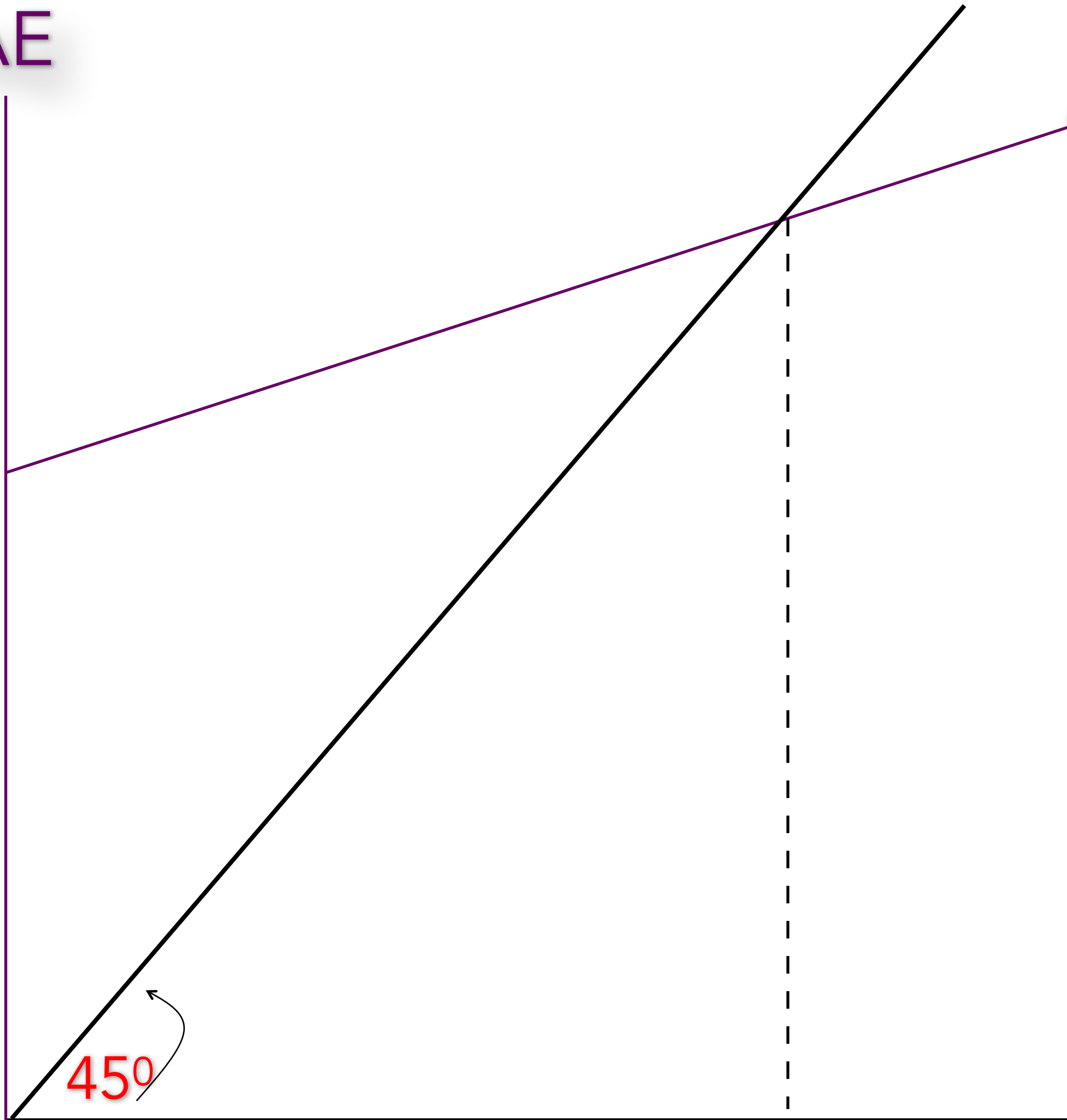


AE

$$AE_0 = C_0 + I + G + NX$$


45°

$Y_0$









Aggregate  
**Demand** for goods  
and services  
decrease

$AE_1$

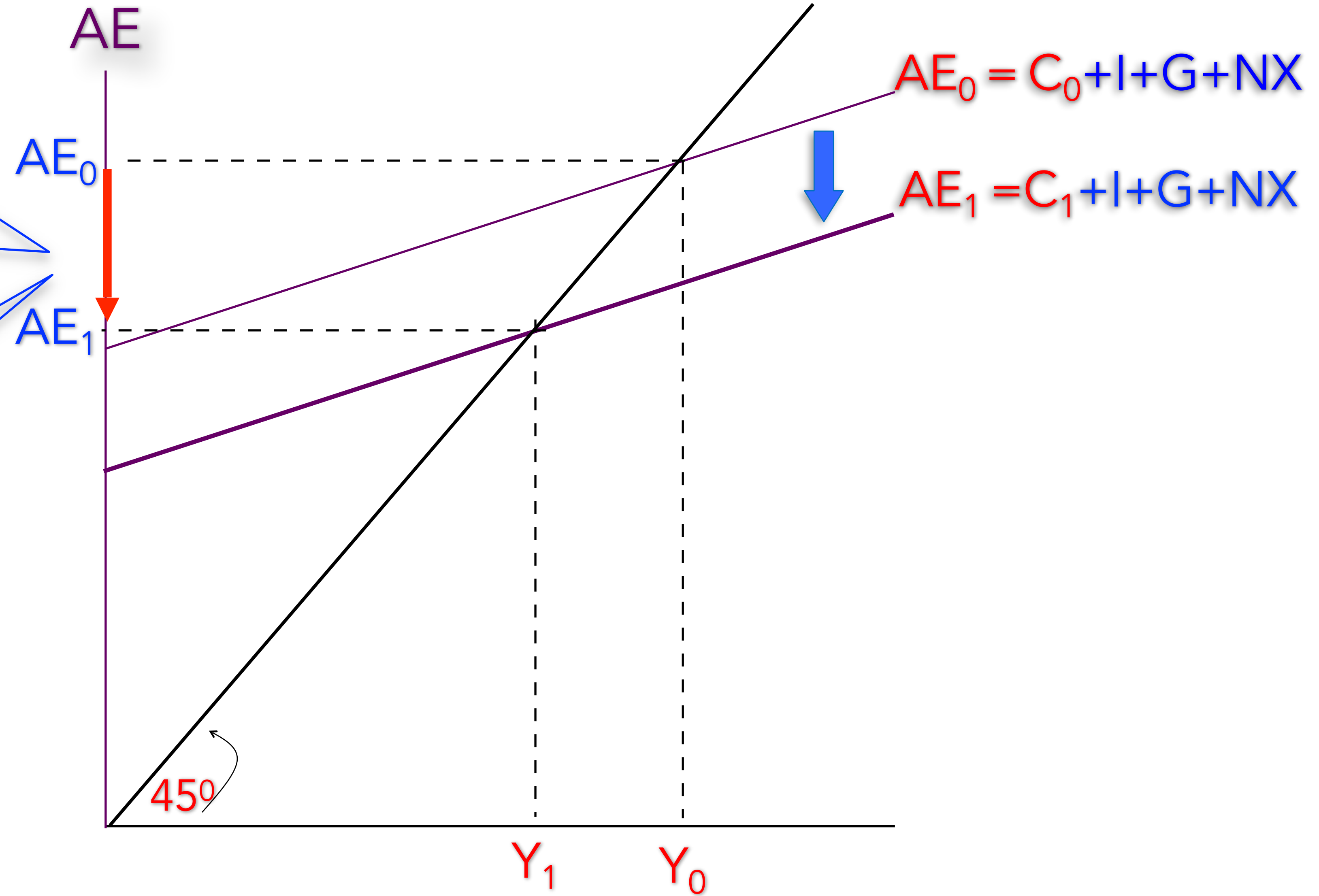
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$AE_0$

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An **increase** in **Prices**,  
shift consumption down  
and AE shifts down

Aggregate  
**Demand** for goods  
and services  
decrease



**In this presentation we will  
transition from Aggregate  
Expenditures to Aggregate  
Demand**