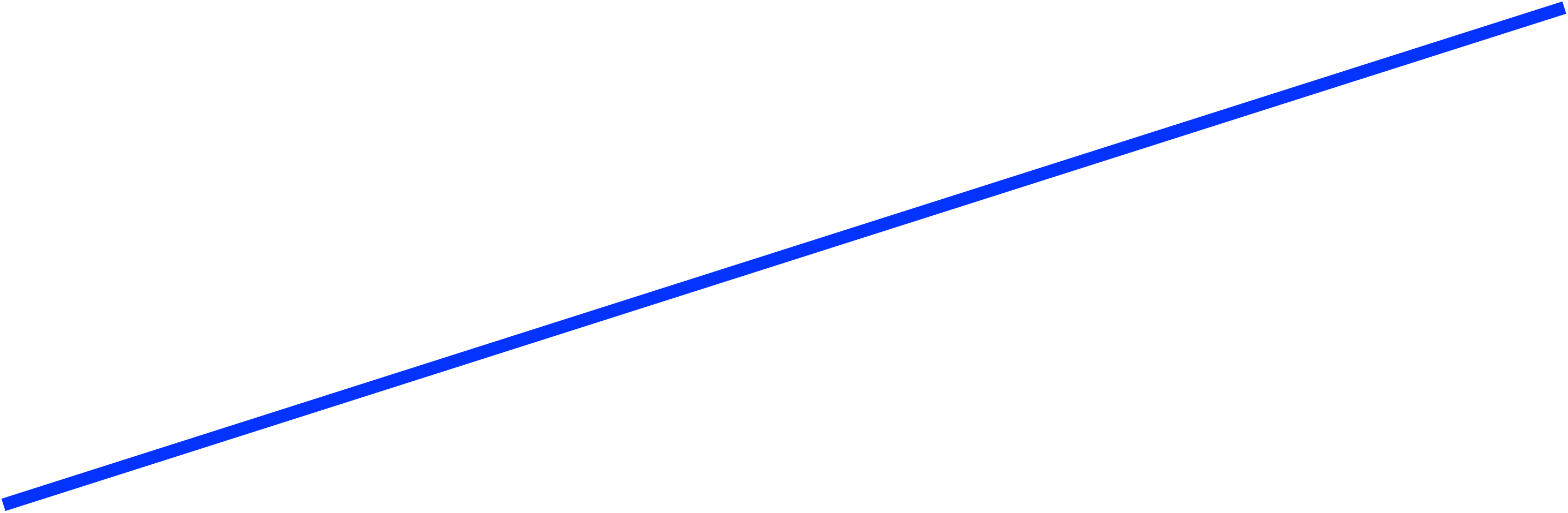


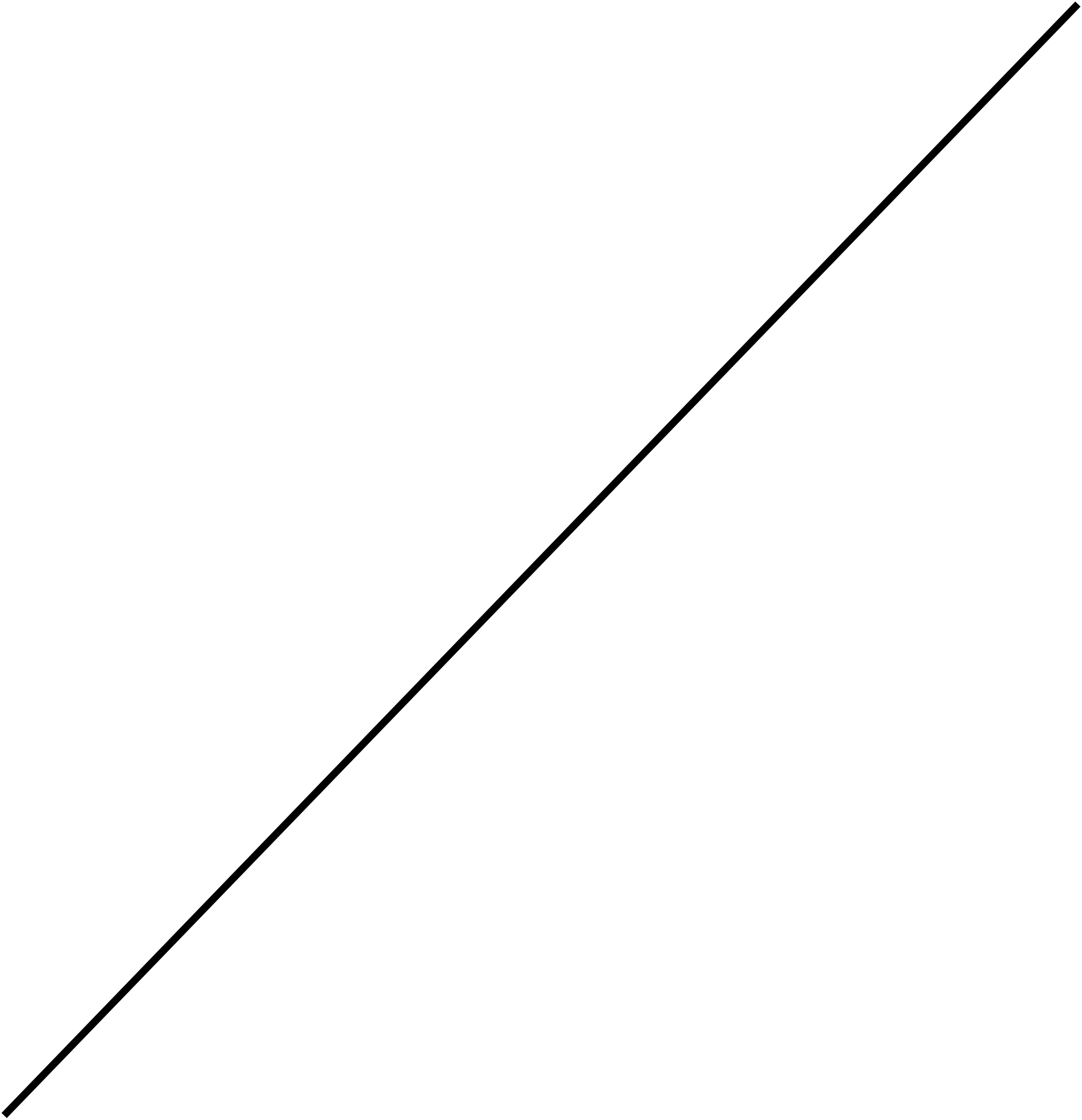
A

E

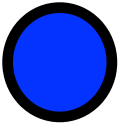














AE0

GDP/Income




AE<sub>1</sub>

YO


Y

1






Aggregate  
**Demand** for goods  
and services  
increase



AE line shifts up if  
autonomous consumption  
increase: **Prices** fall, wealth  
increase or consumers  
become optimistic



If **Prices** remain  
the same: AD  
shifts right



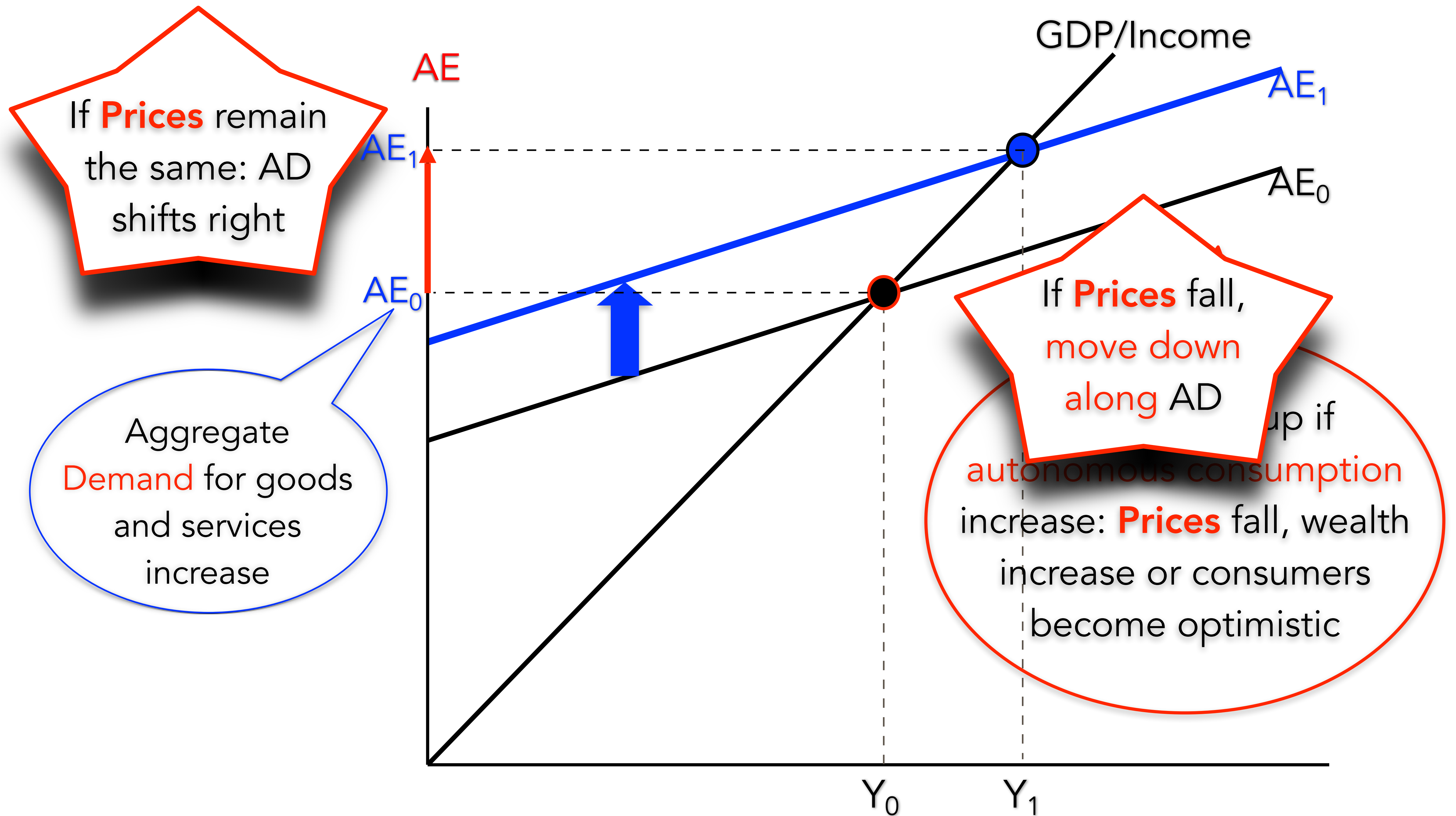
If **Prices** fall,  
move down  
along AD



$AE_1$ -----

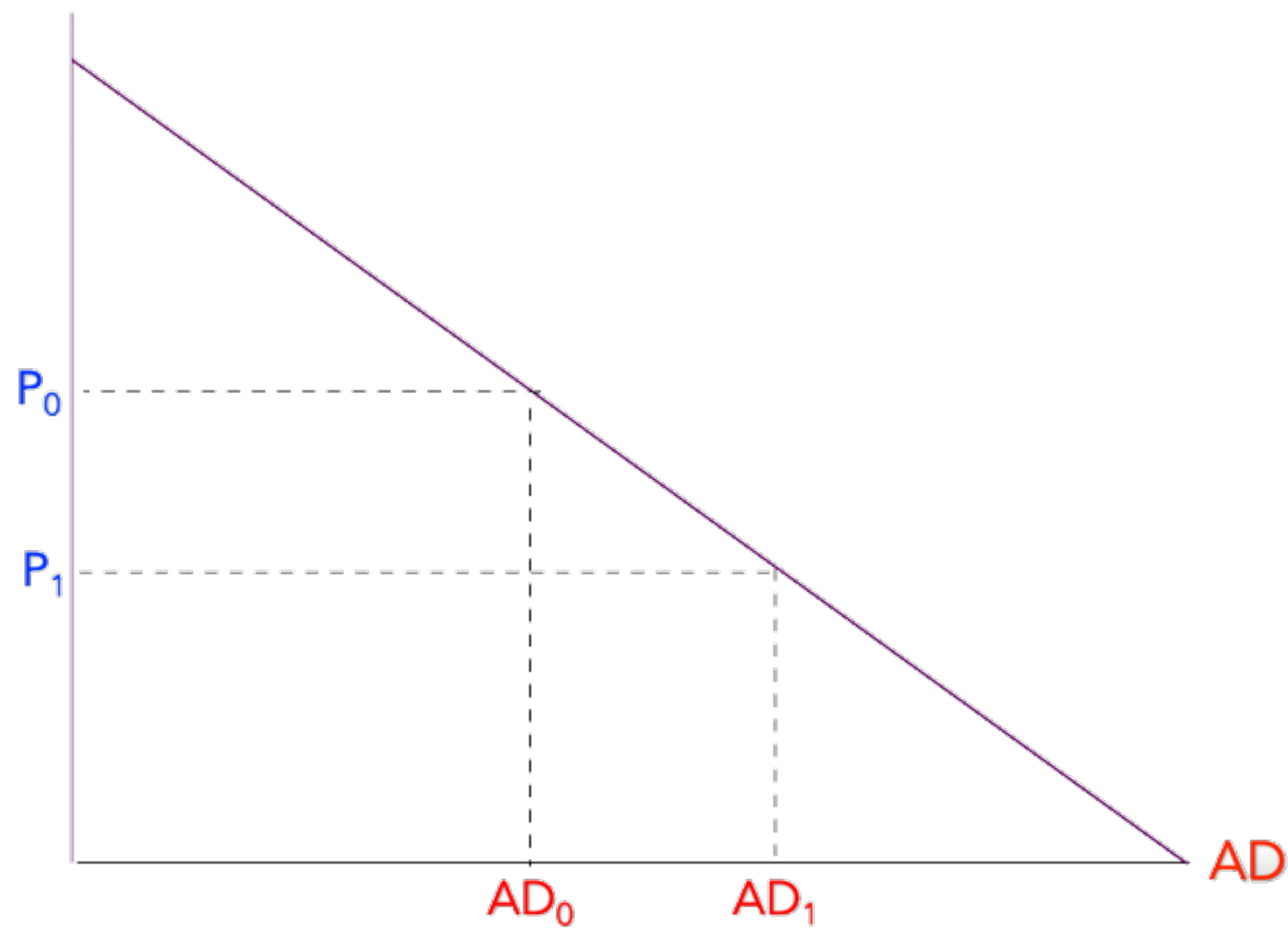
$AE_0$

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Price Level



Price Level

