

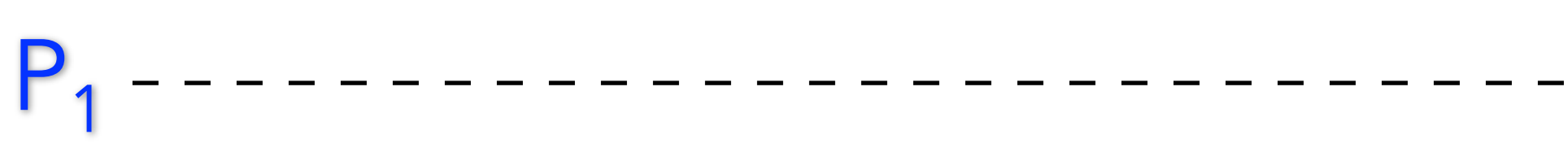
Aggregate Demand

AD

Price Level



An decrease in Prices,
shift Aggregate
Expenditures up



Po-----

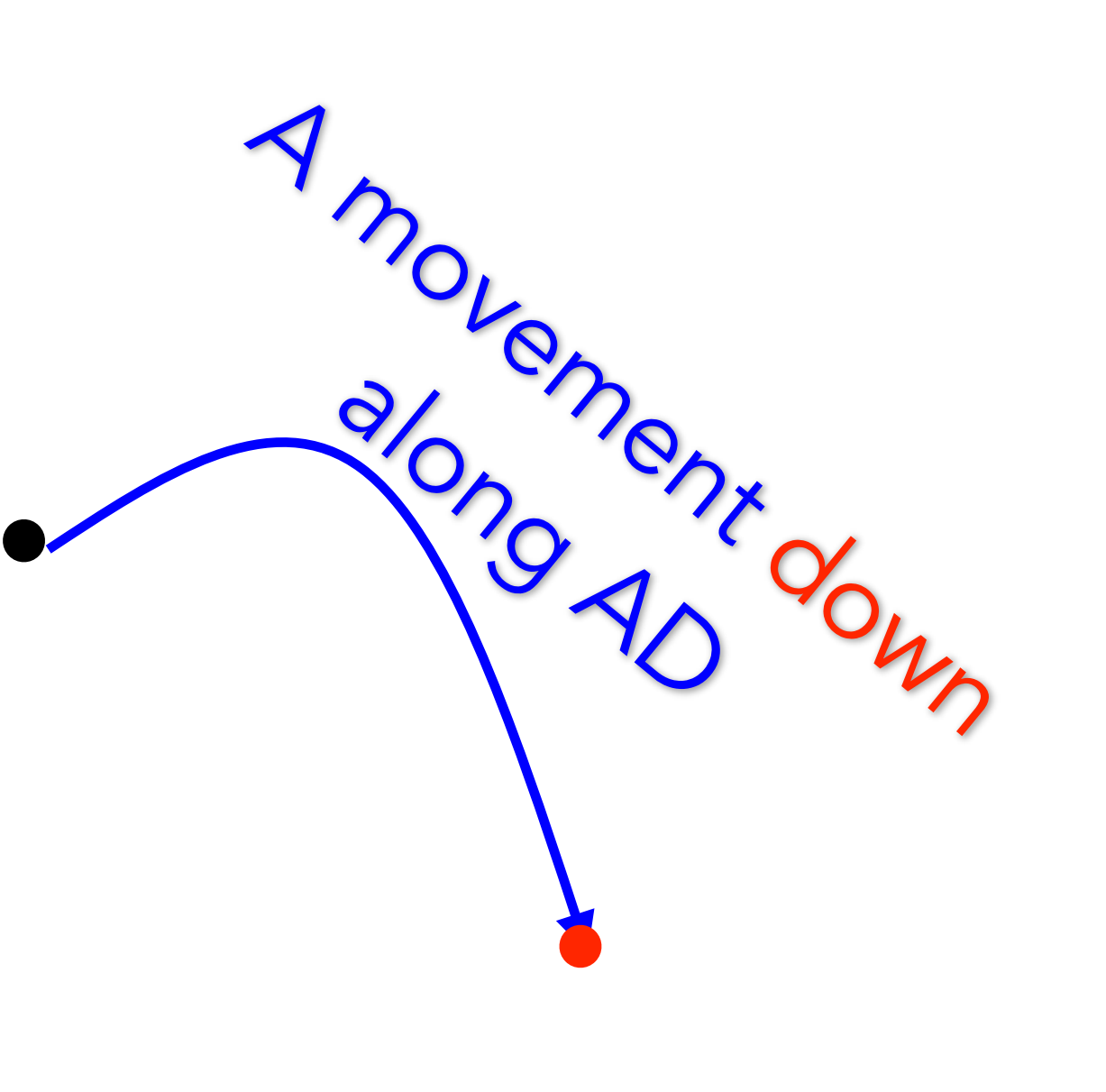
AD₀



AD₁



Aggregate
Demand for goods
and services
increase



Price Level

Aggregate Demand

An decrease in Prices,
shift Aggregate
Expenditures up

P_0

P_1

AD_0

AD_1

AD

A movement down
along AD

Aggregate
Demand for goods
and services
increase

