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Y=5,000

Y = 10,000

Y = 19,000

If total production $Y =$
5,000





Start Your Own Business

Change in Inventories =

$$5,000 - 6,400 = -1,400$$

(decrease)

If total production $Y =$
10,000





AVERTIR EXPOSE URTI AVERTIR URTI

Change in Inventories =

$$10,000 - 10,900 = -900$$

(decrease)









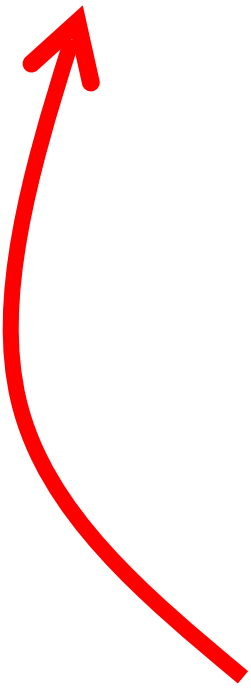
If total production $Y =$
25,000

Change in Inventories =

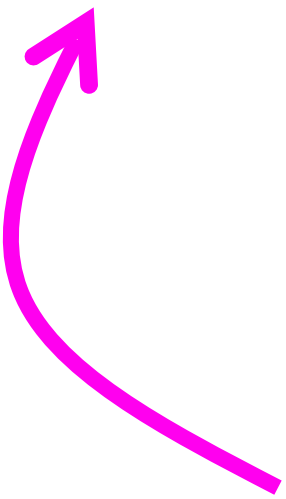
$$25,000 - 24,400 = +600$$

(increase)

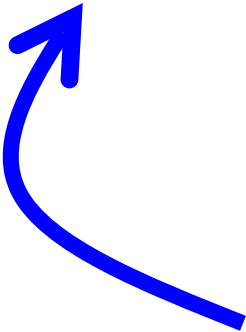
Y = 25,000

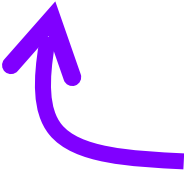


Firms increase production



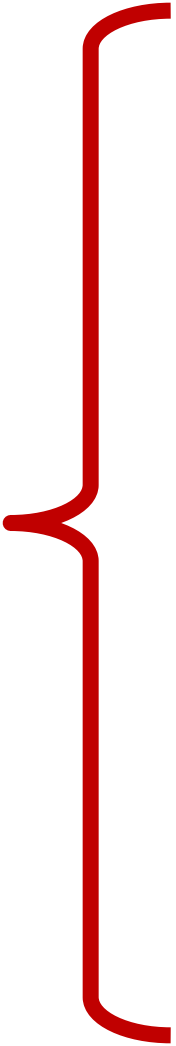
No change in production





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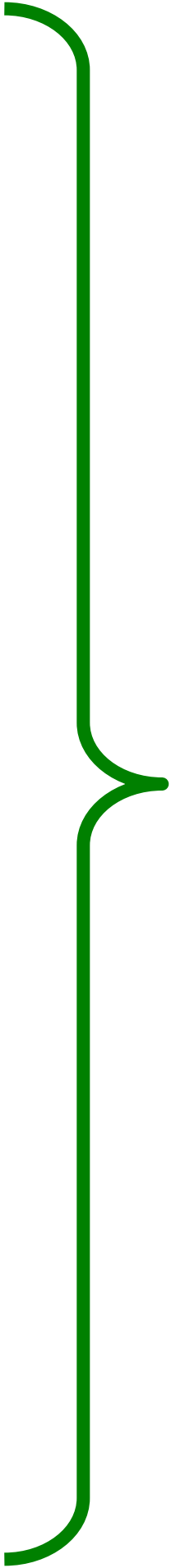


Produced = 5,000

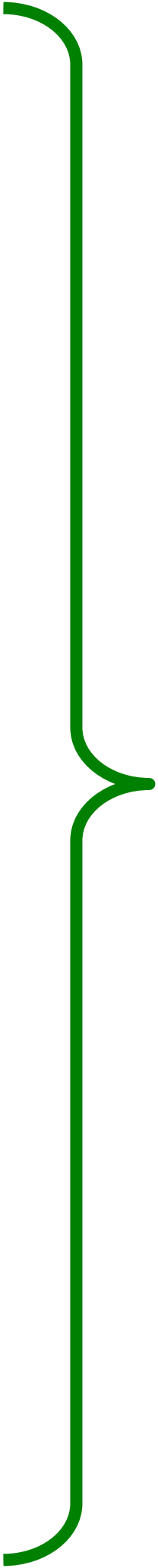


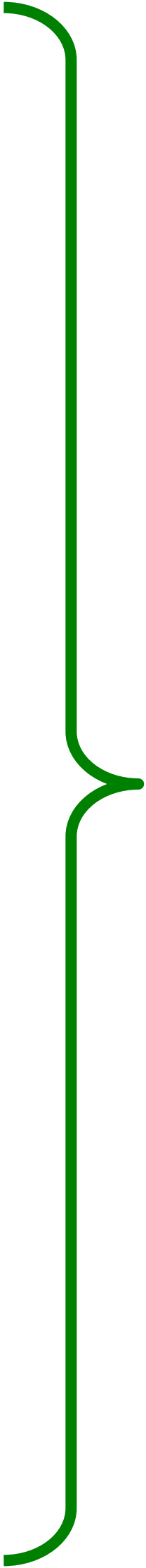


$$K = 19,000,$$



$\gamma = 25,000$





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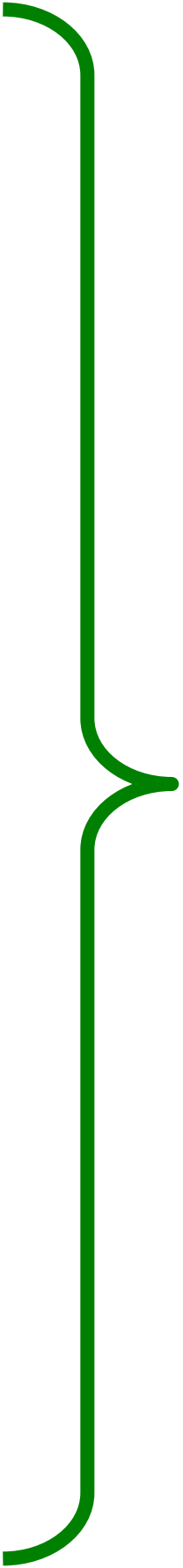
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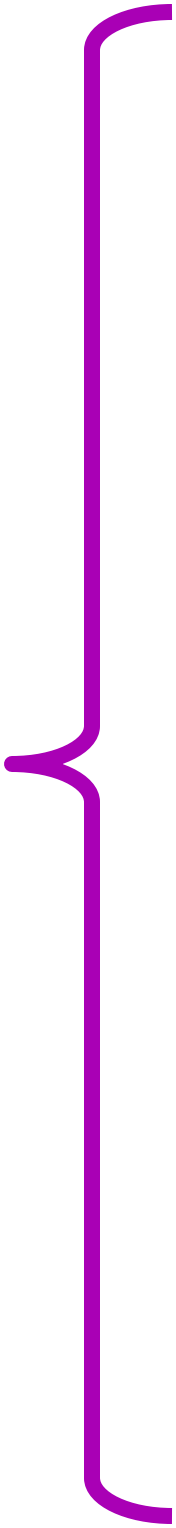
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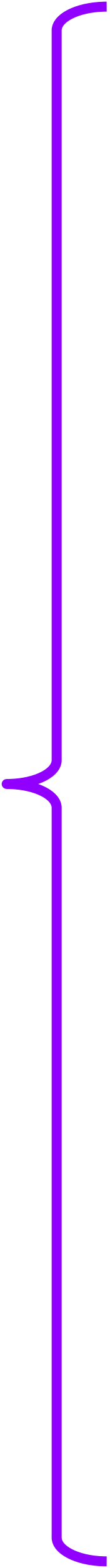
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000,01
=
Y

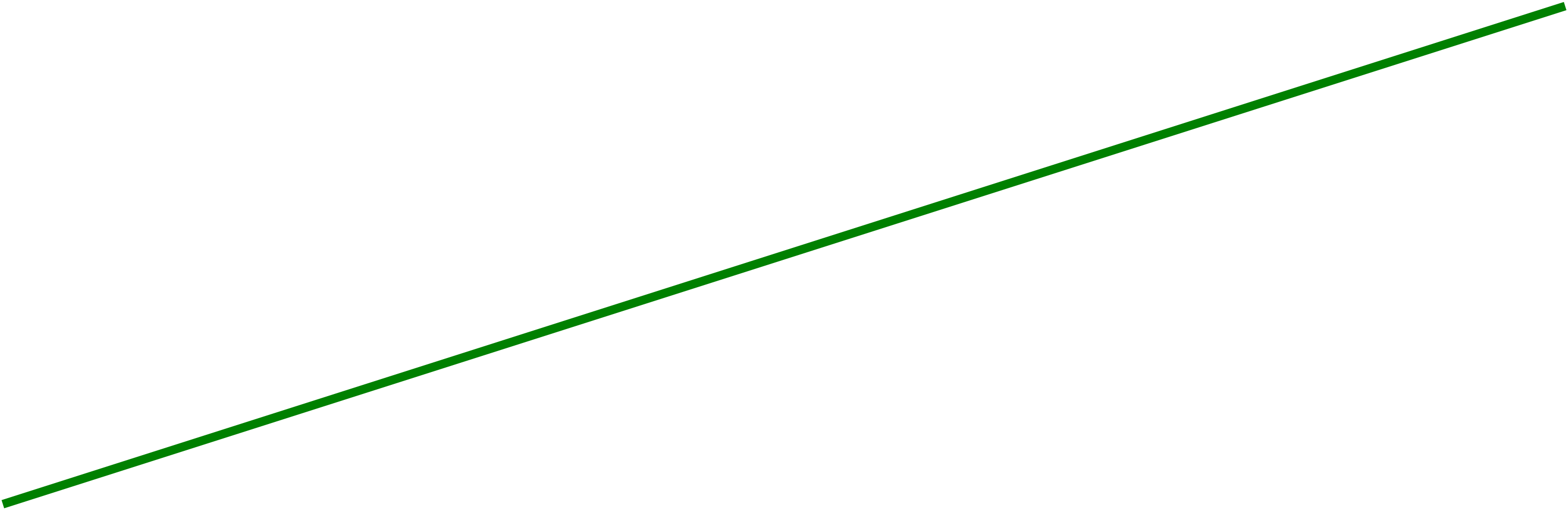




Change in Inventories =
19,000 – 19,900 = 0 (no
change)

If total production $Y =$
19,000

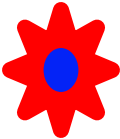






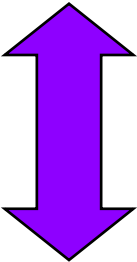












-1,400

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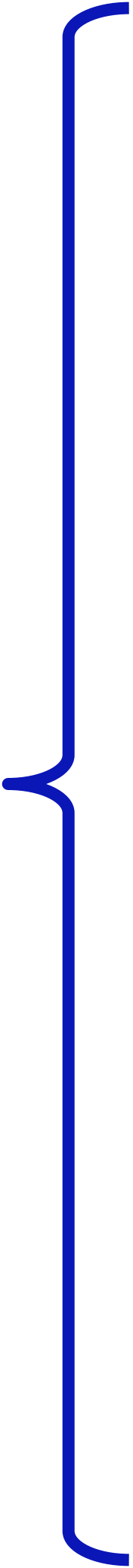
2000

Firms increase production

+6000

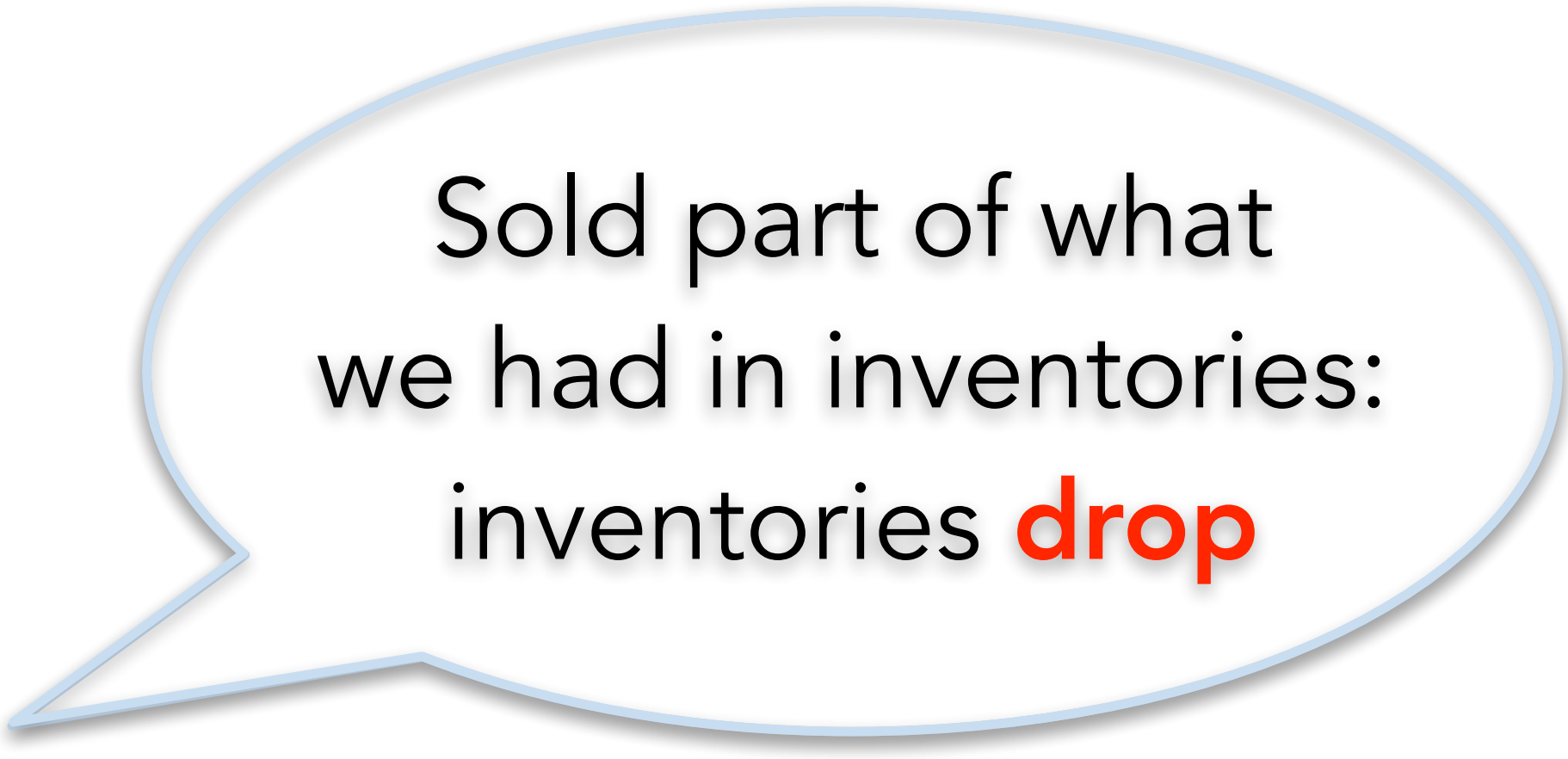
Firms decrease production

AVERTER EXPOSURE





Produced 5,000
sold **more**: 6,400



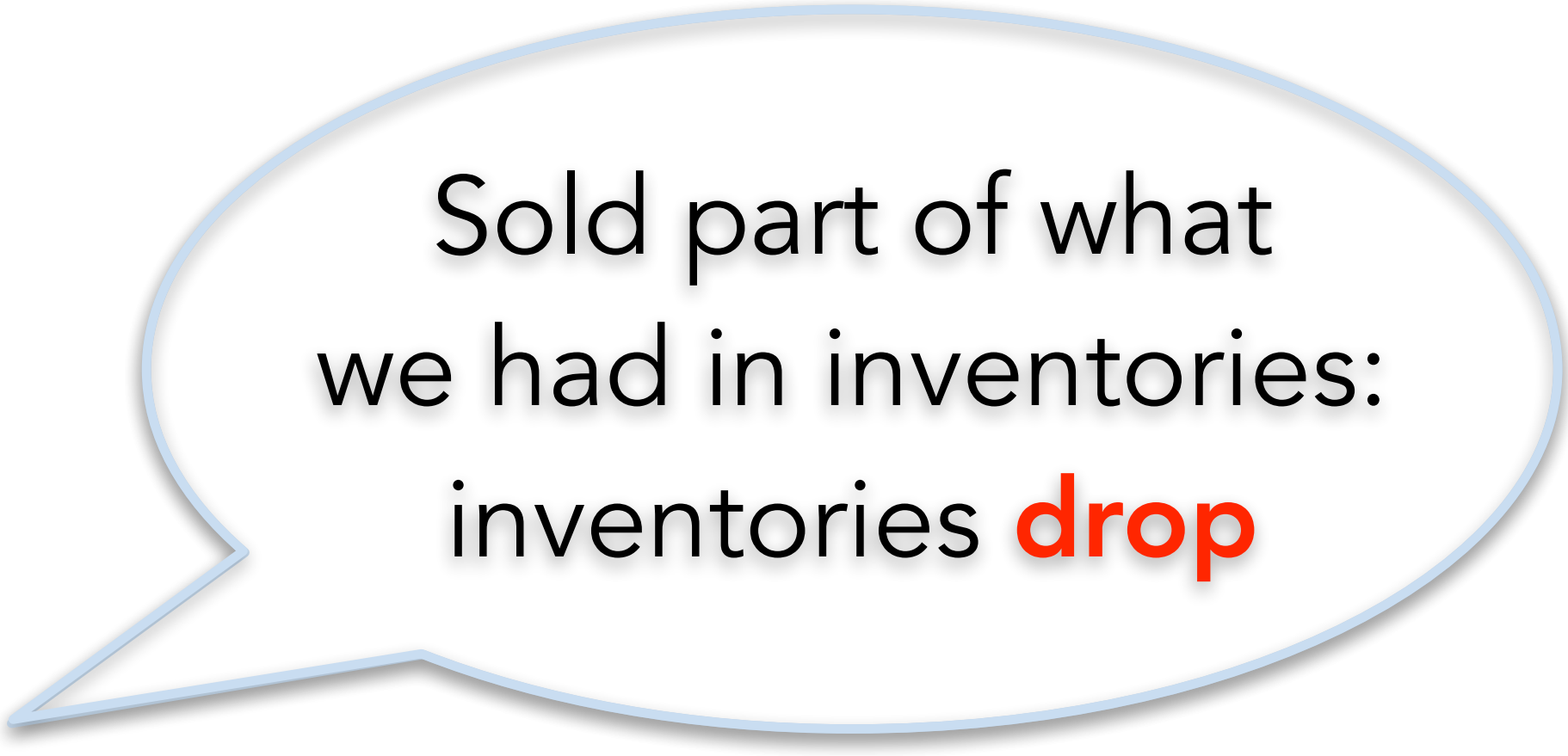
Sold part of what
we had in inventories:
inventories **drop**




Produced

10,000 sold **more**:

10,900



Sold part of what
we had in inventories:
inventories **drop**



We could not sell
everything we produced:
Inventories **rise**



Produced

25,000 sold less

24,000

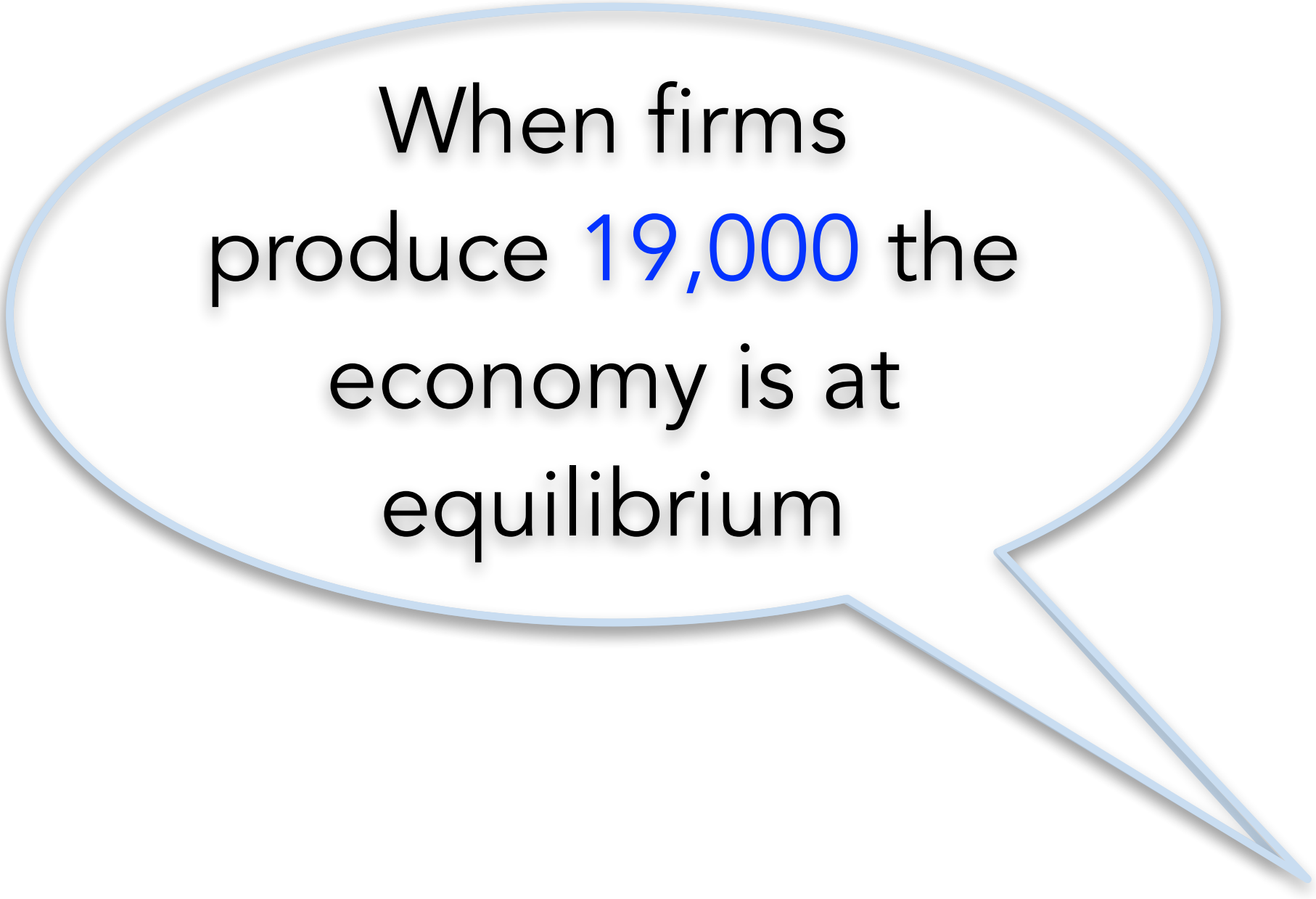


No change in
inventories



Produced

19,000 sold 19,000



When firms
produce 19,000 the
economy is at
equilibrium

