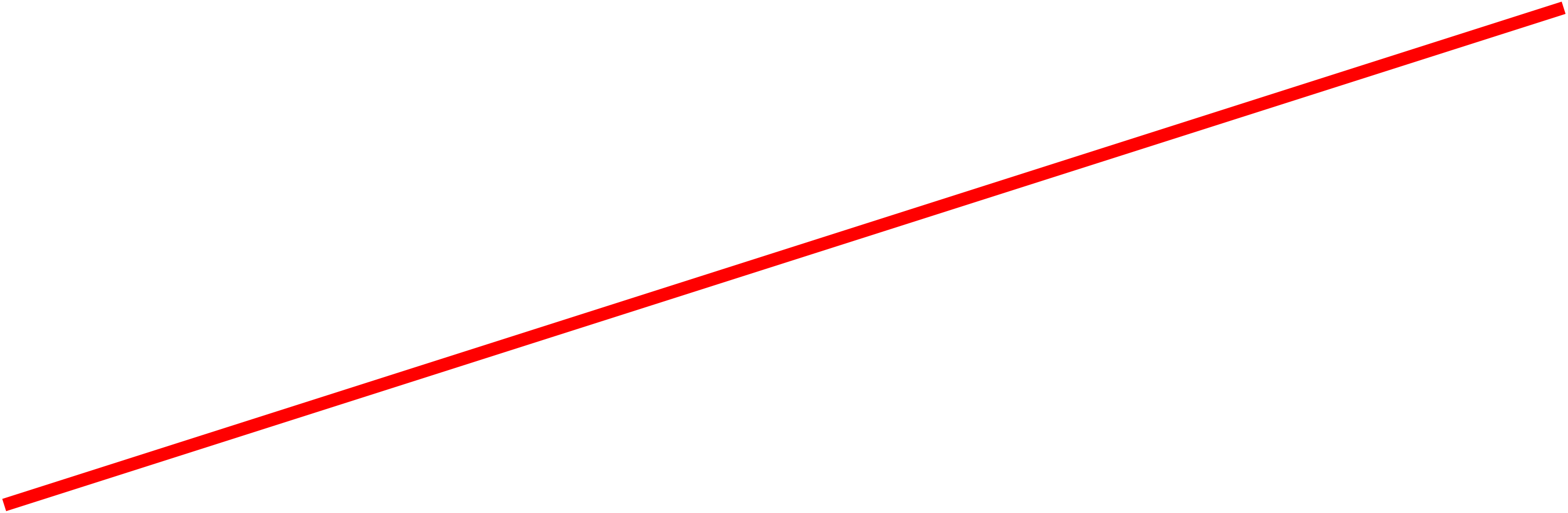
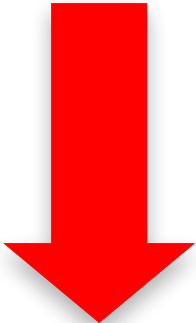


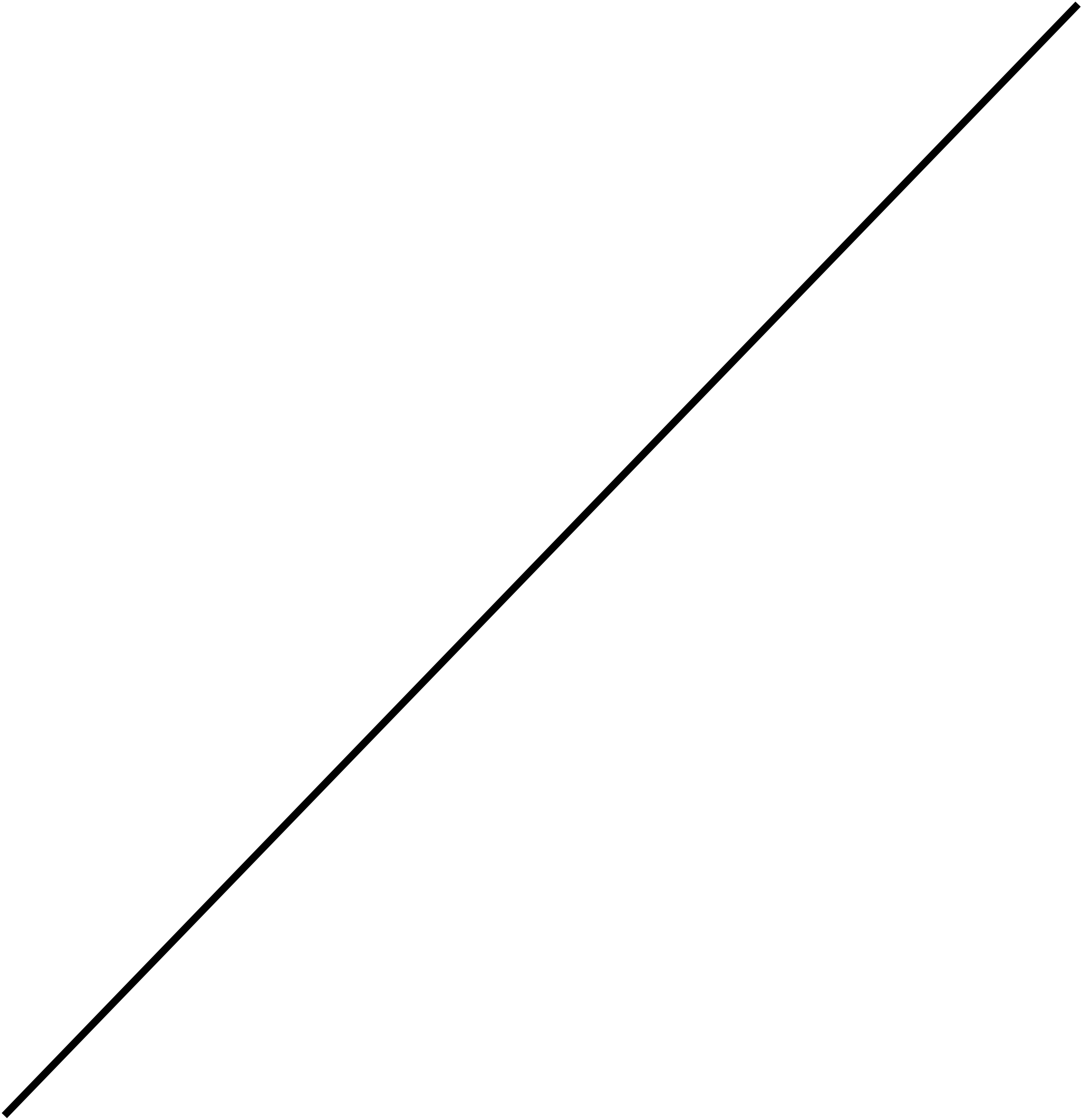
A

E



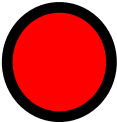


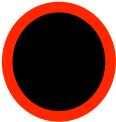












A

E

O

GDP/Incone




AE<sub>1</sub>

Y

O





Aggregate  
**Demand** for goods  
and services  
decrease

Y

1



$AE_1$

-----

$AE_0$  -----



AE

line shifts down if

autonomous consumption

decrease: **Prices** rise, wealth

decrease or consumers

become pessimistic



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

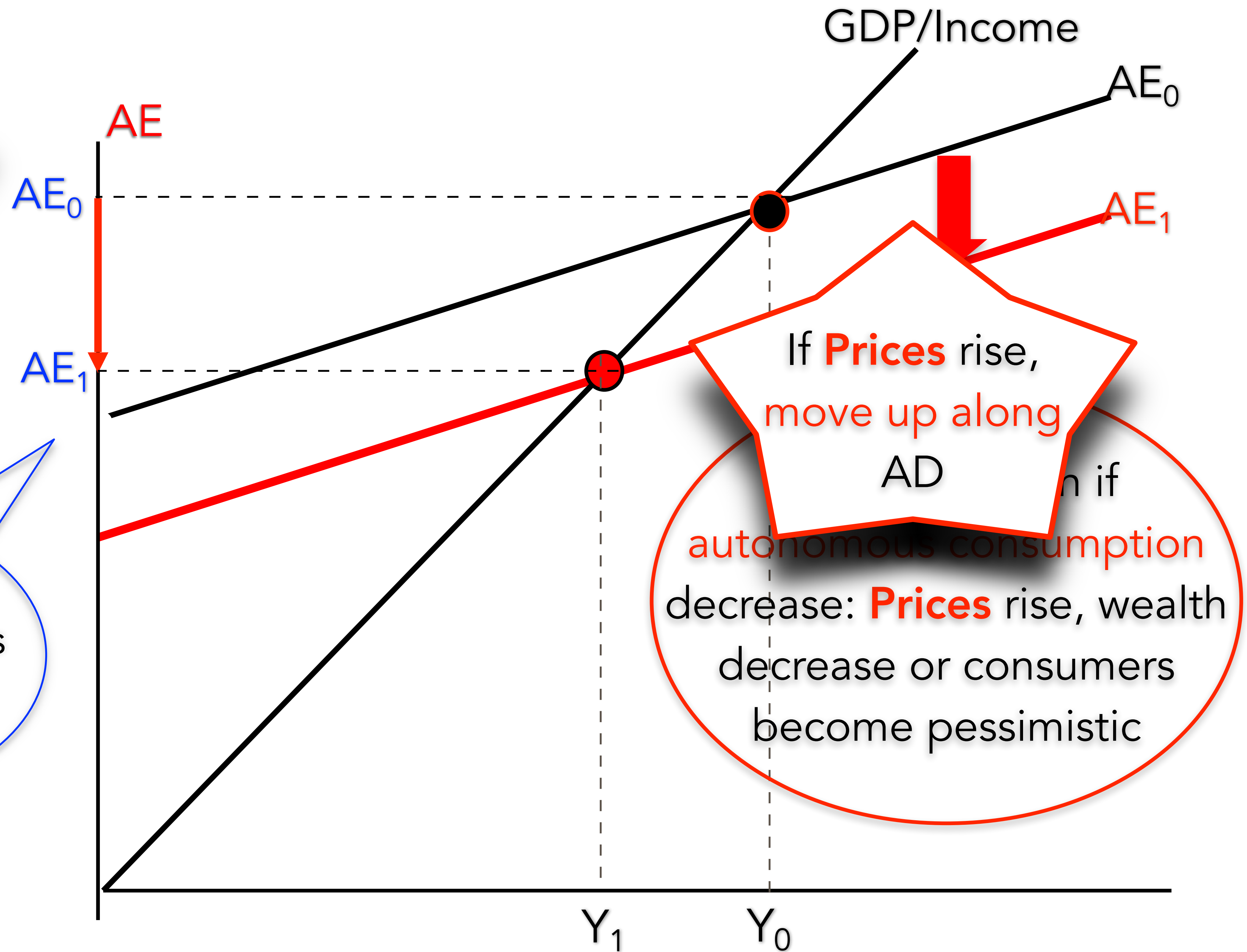


If **Prices** rise,  
move up along  
AD



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

Aggregate **Demand** for goods and services decrease



# Aggregate Demand

