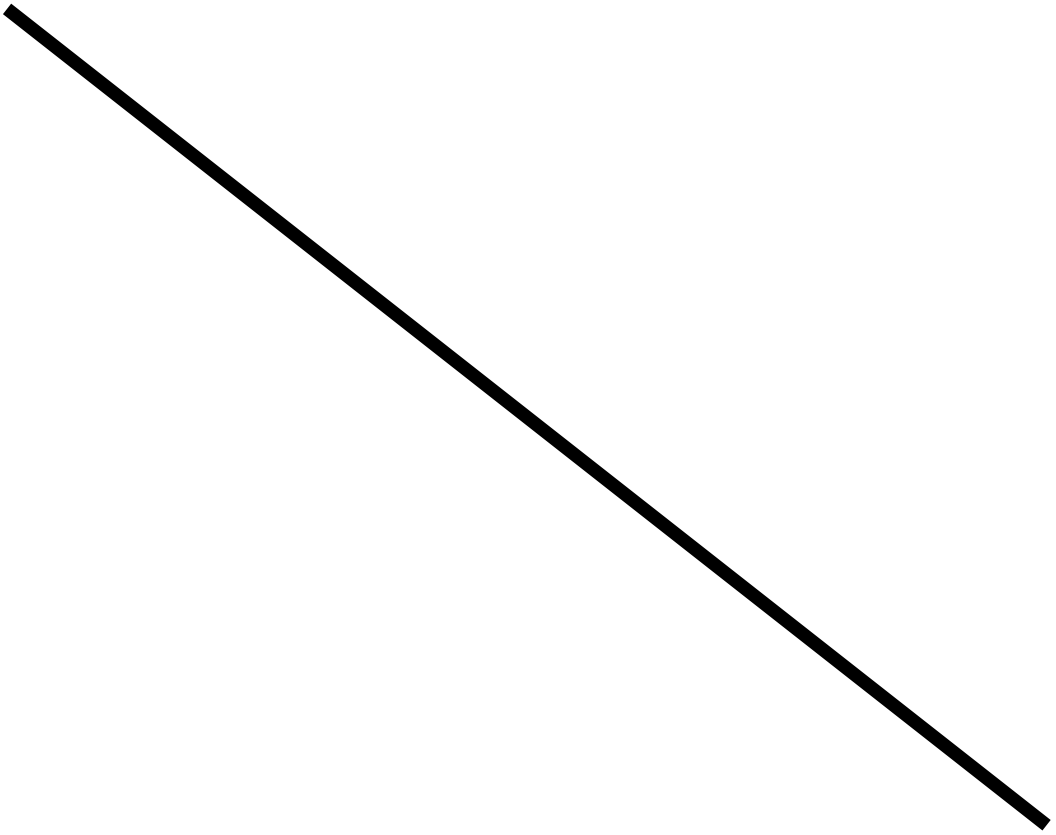


The Self Adjusting Mechanism







AD

0

PO

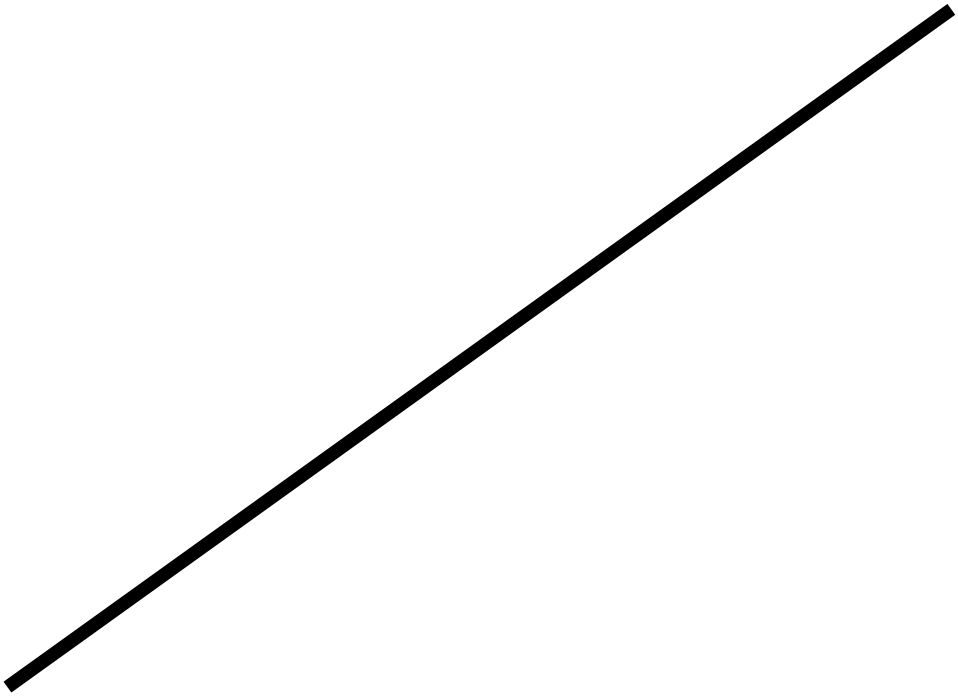


5,000

4,000







AS(W
1)

P

1

Potential
GDP



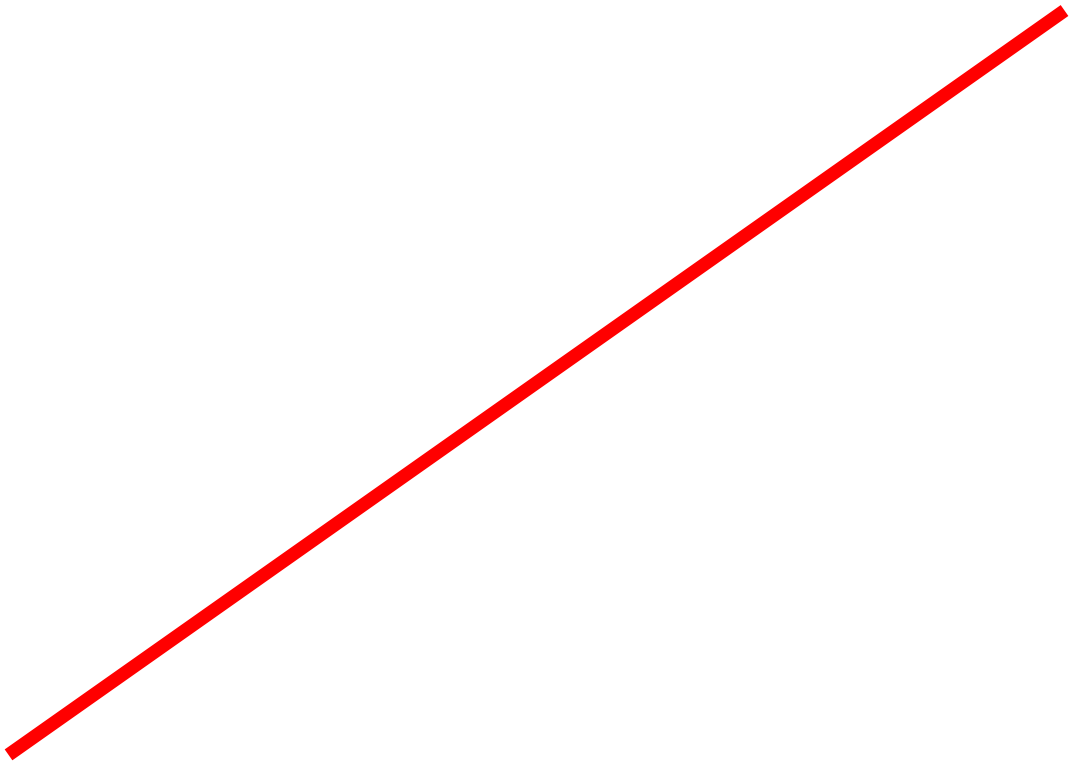
1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical analysis performed.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables studied.

4. The fourth part of the document discusses the implications of the findings. It explores the potential applications of the research and the limitations of the study. It also suggests areas for further research and investigation.

5. The final part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of the research and the need for continued efforts in this field.



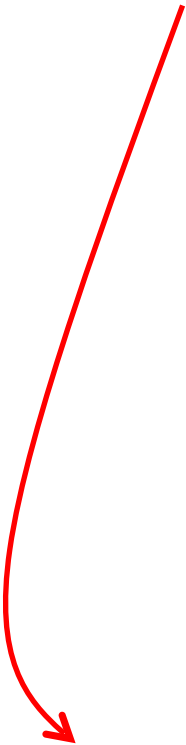
AS(W_2)
)

Unemployment:
Easy for firms to
hire, workers
accept lower
wages

Wages fall
AS shifts
right

Prices fall, AD increases gap

closes



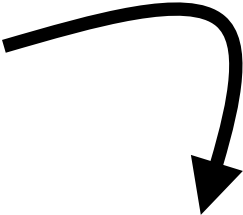
**Weak Demand is
resolved by a
decrease in
prices**



**Unemployment
cause wages to fall
and then, prices
fall**

**Recessionary
Gap**





W



6









6





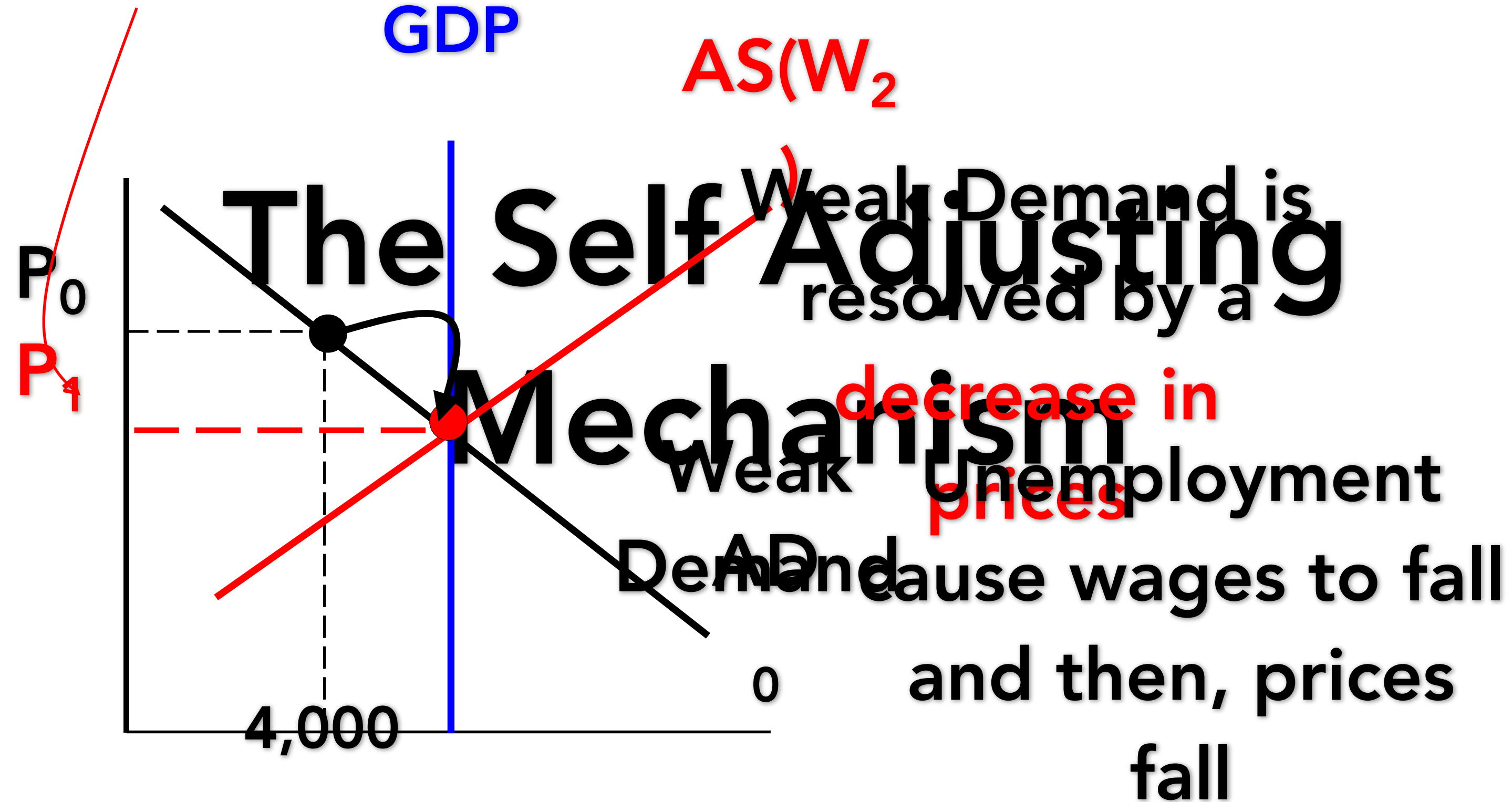
**Weak
Demand**

Prices fall, AD increases gap

Potential closes

GDP

$AS(W_2)$



Does the US economy has a self correcting mechanism?