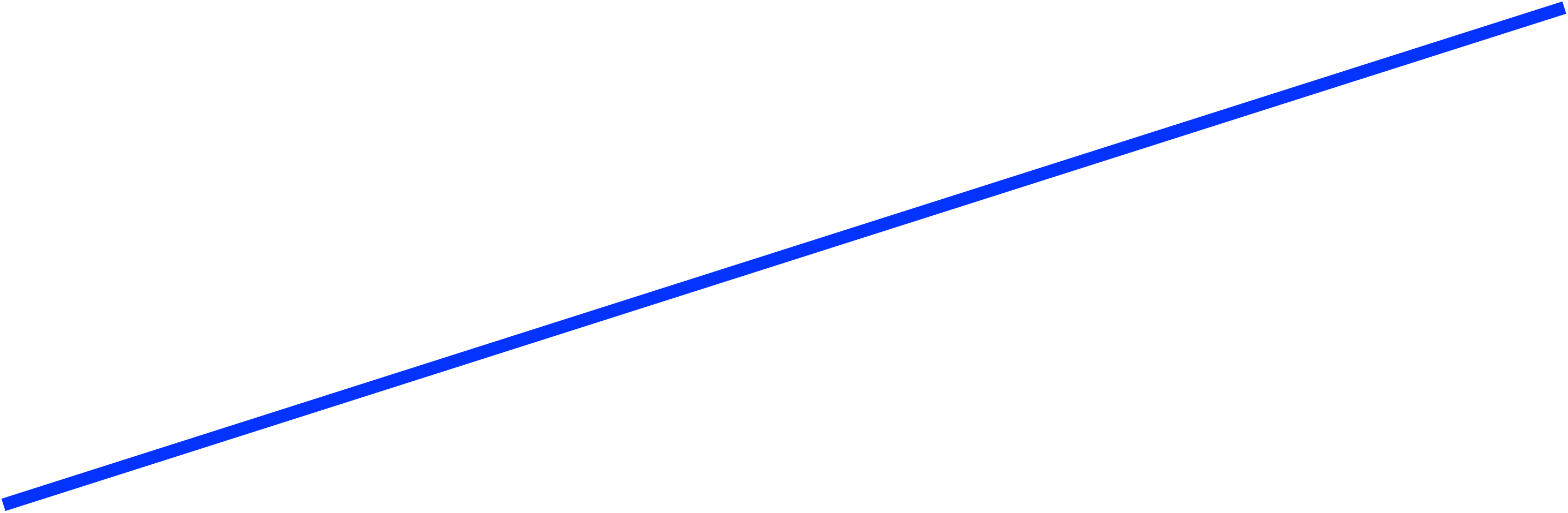


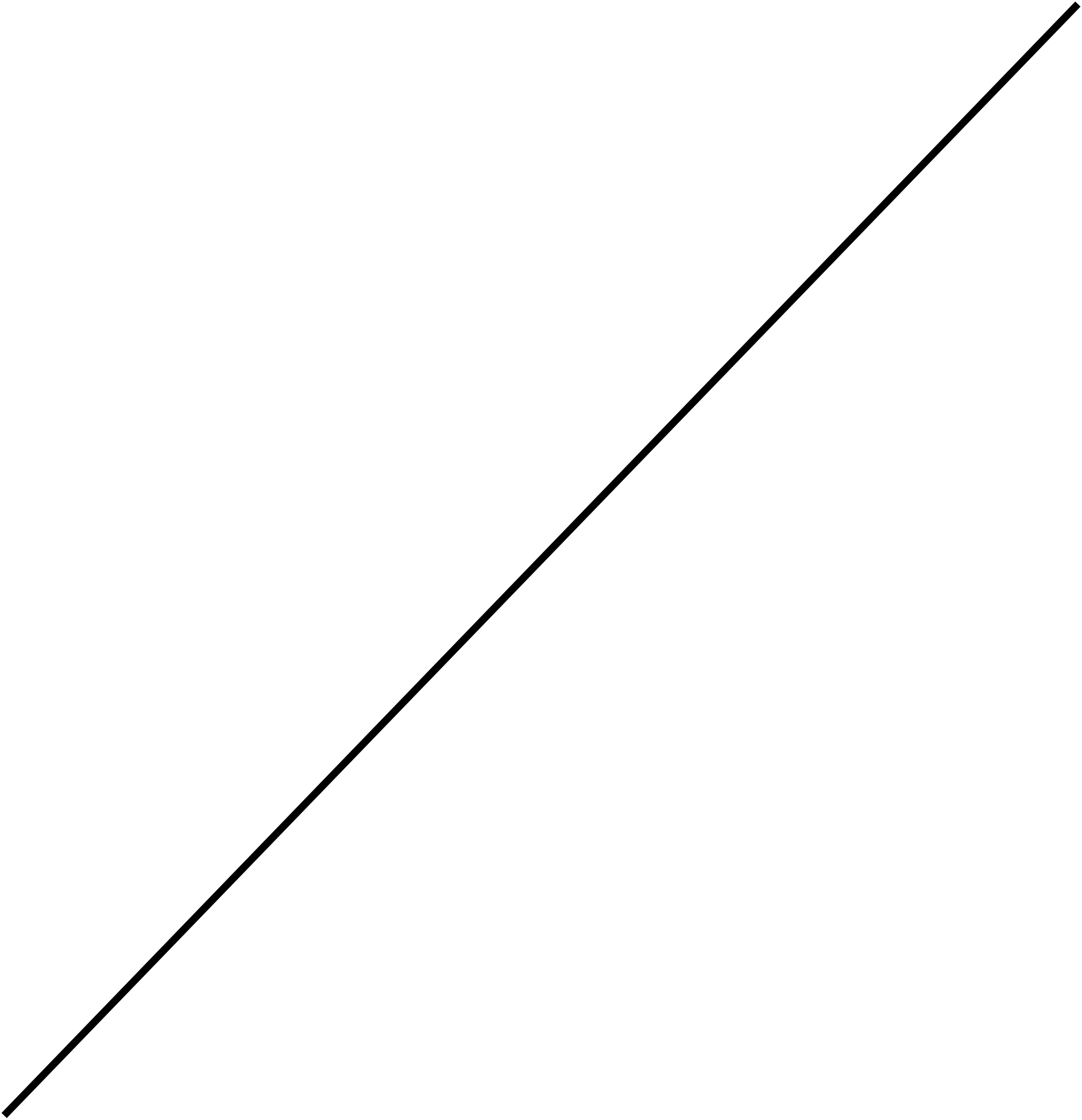
A

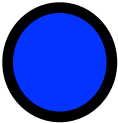
E













AE0

GDP/Income




AE₁

Y


O

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

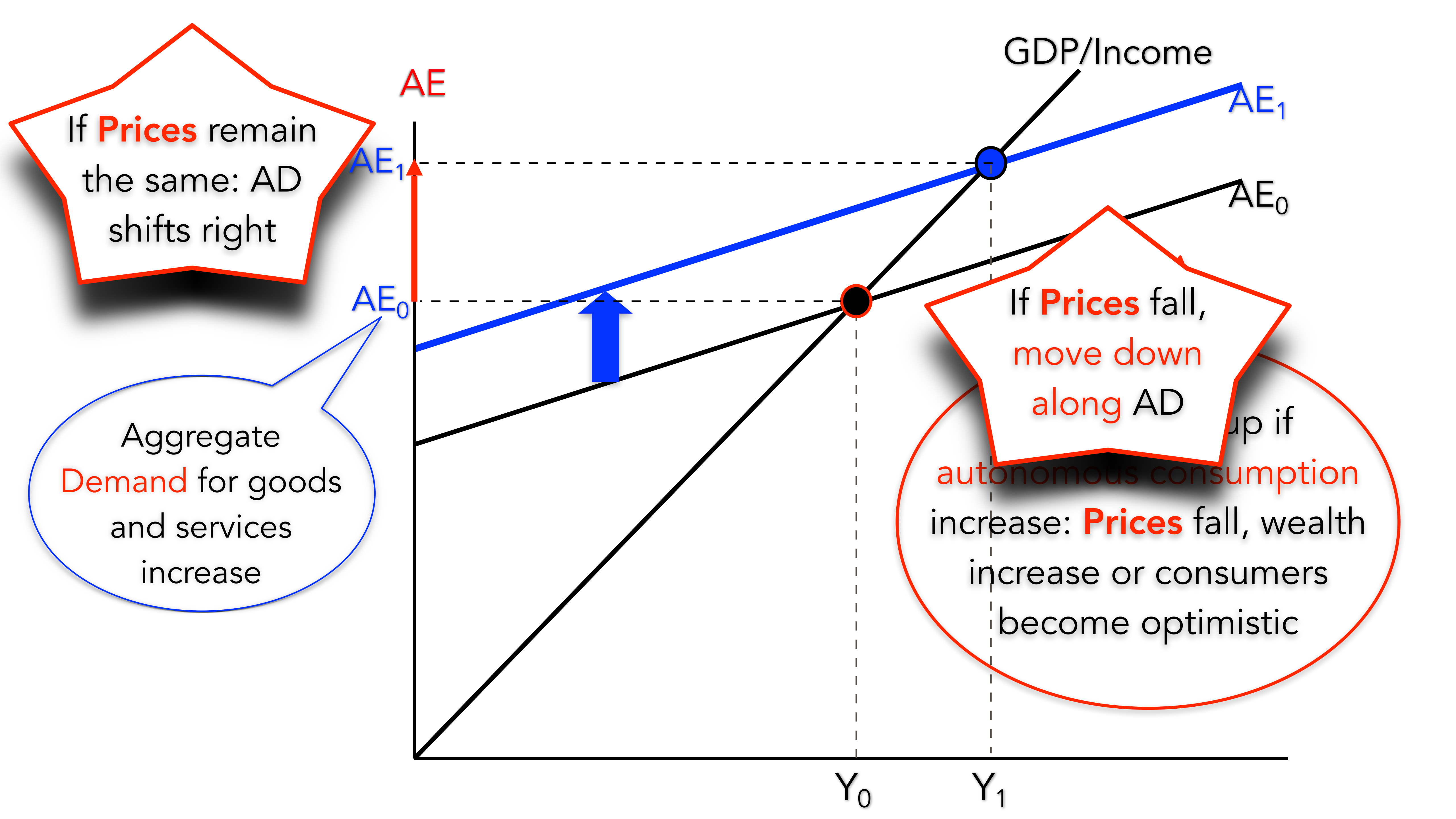


If **Prices** fall,
move down
along AD

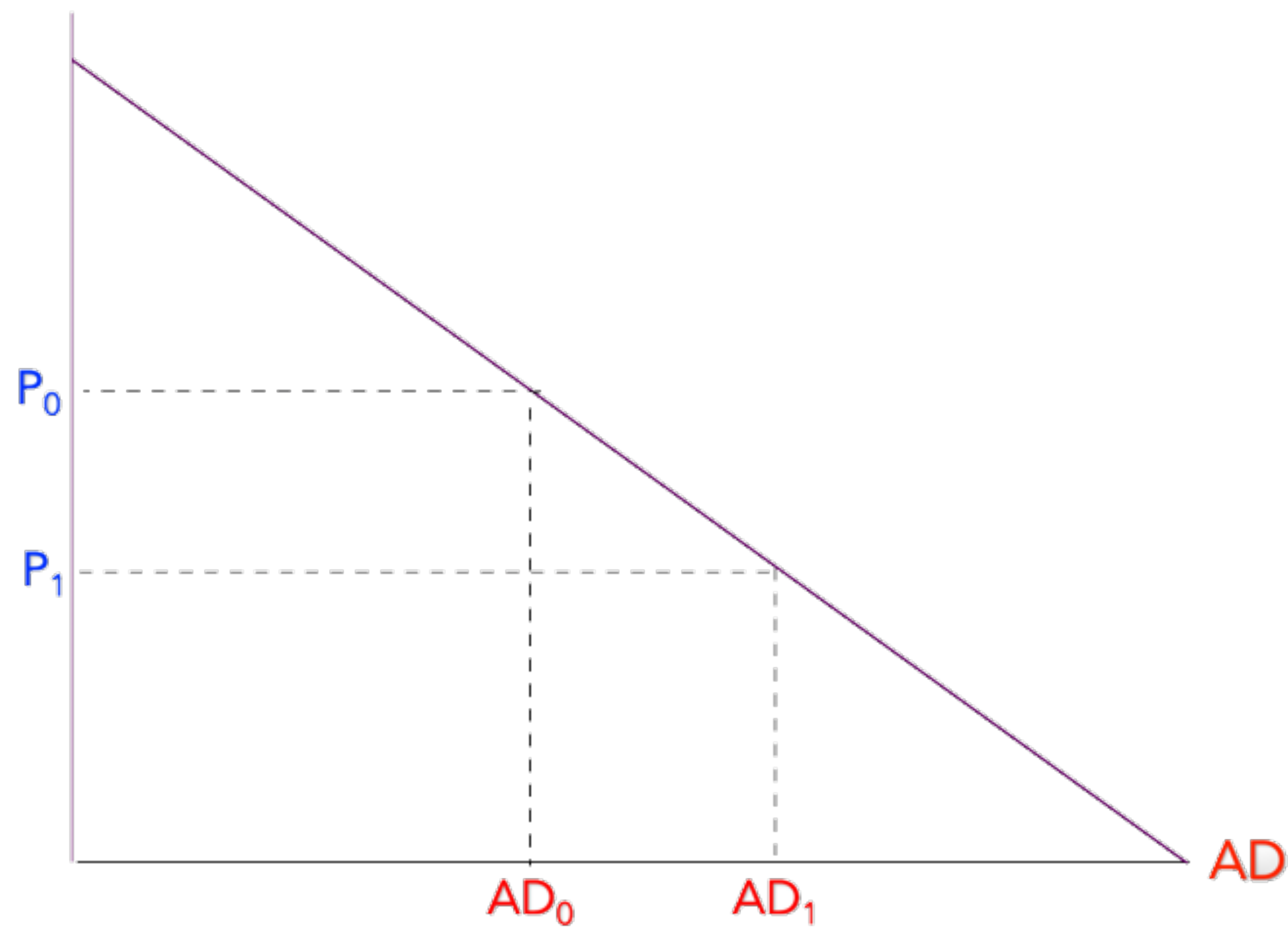


AE_1 -----

AE_0



Price Level



Price Level

