



AEo



45

AE1

If G, I, C, NX

increase

AE line

Shifts up





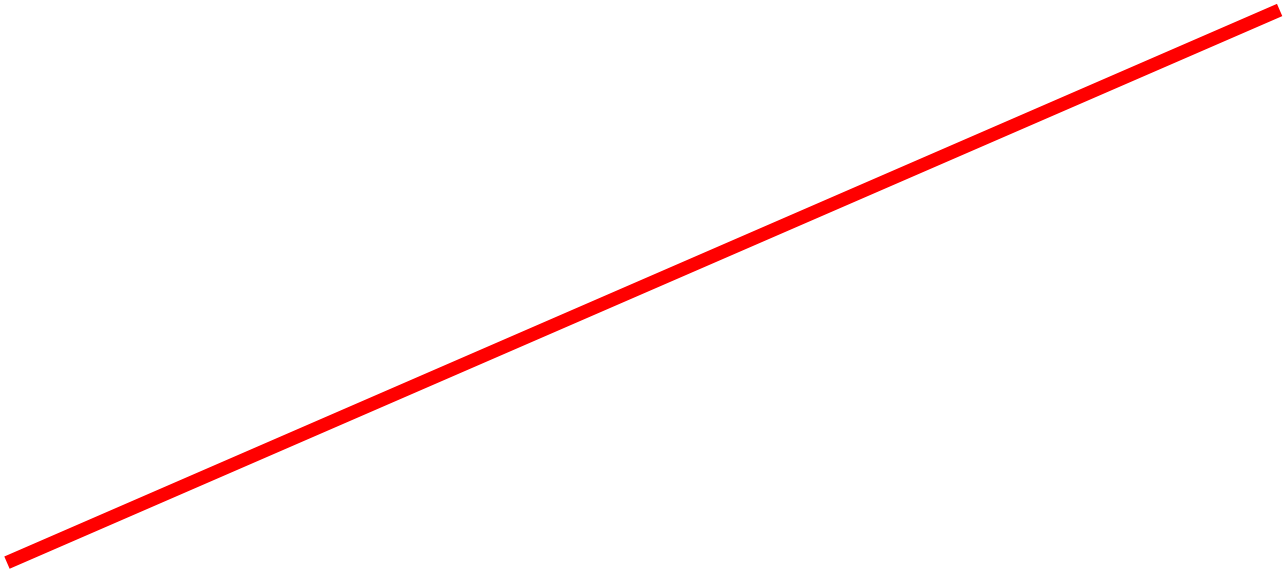
**Output
Demanded
increase**

Y

O

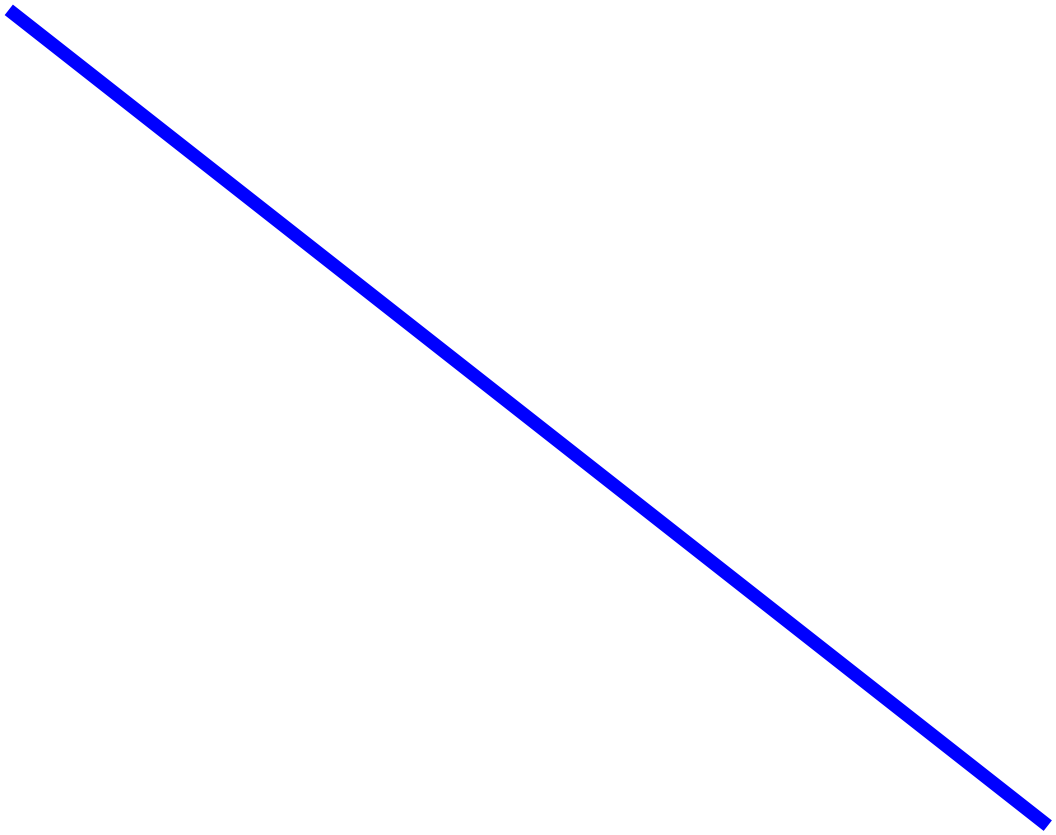
Y

1









AD

O

AD₁

**Price
level**

PO



ADO

AD₁



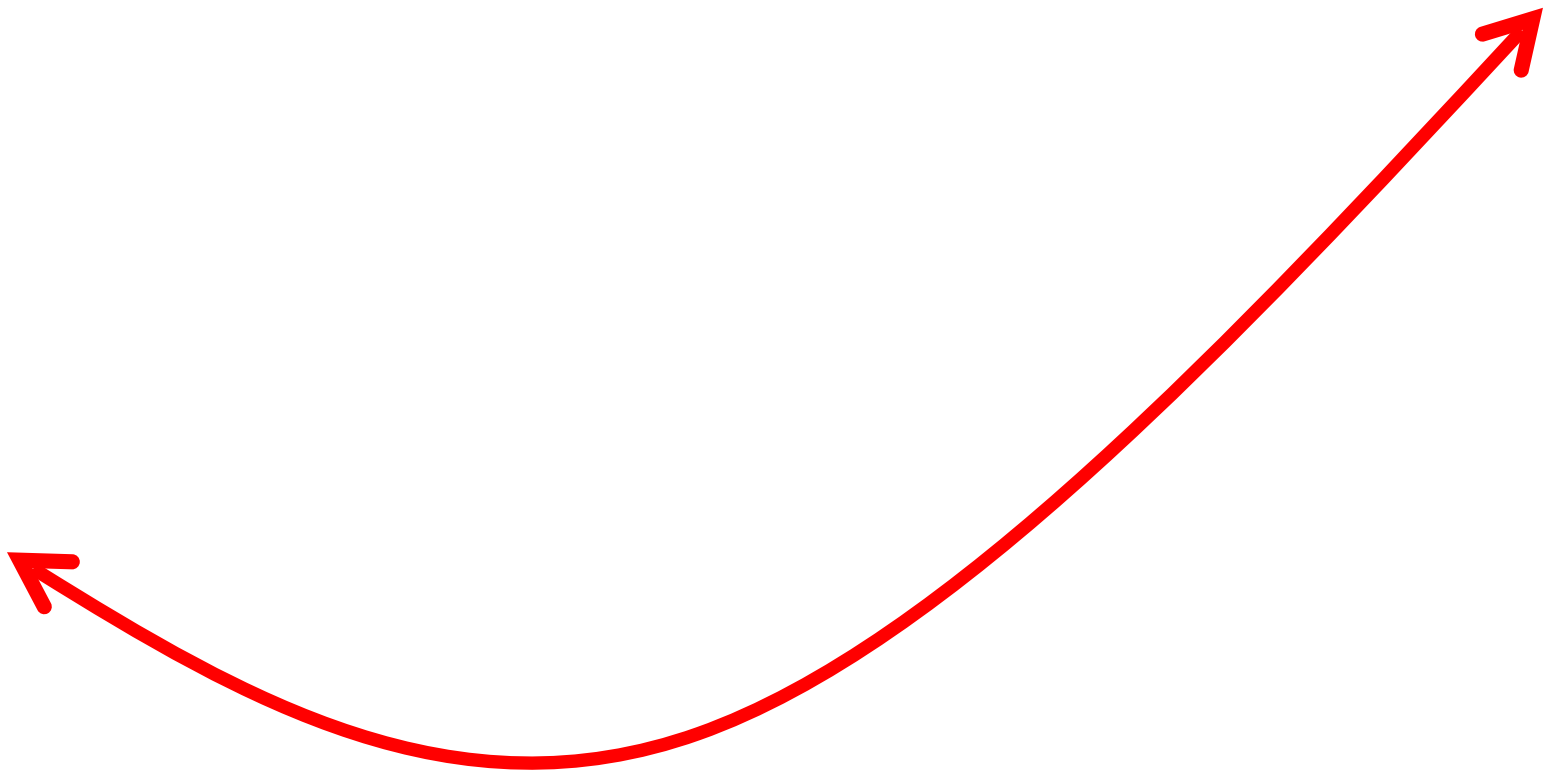


A

E

AD shifts

right



Prices are the same



**The size of
the change in**

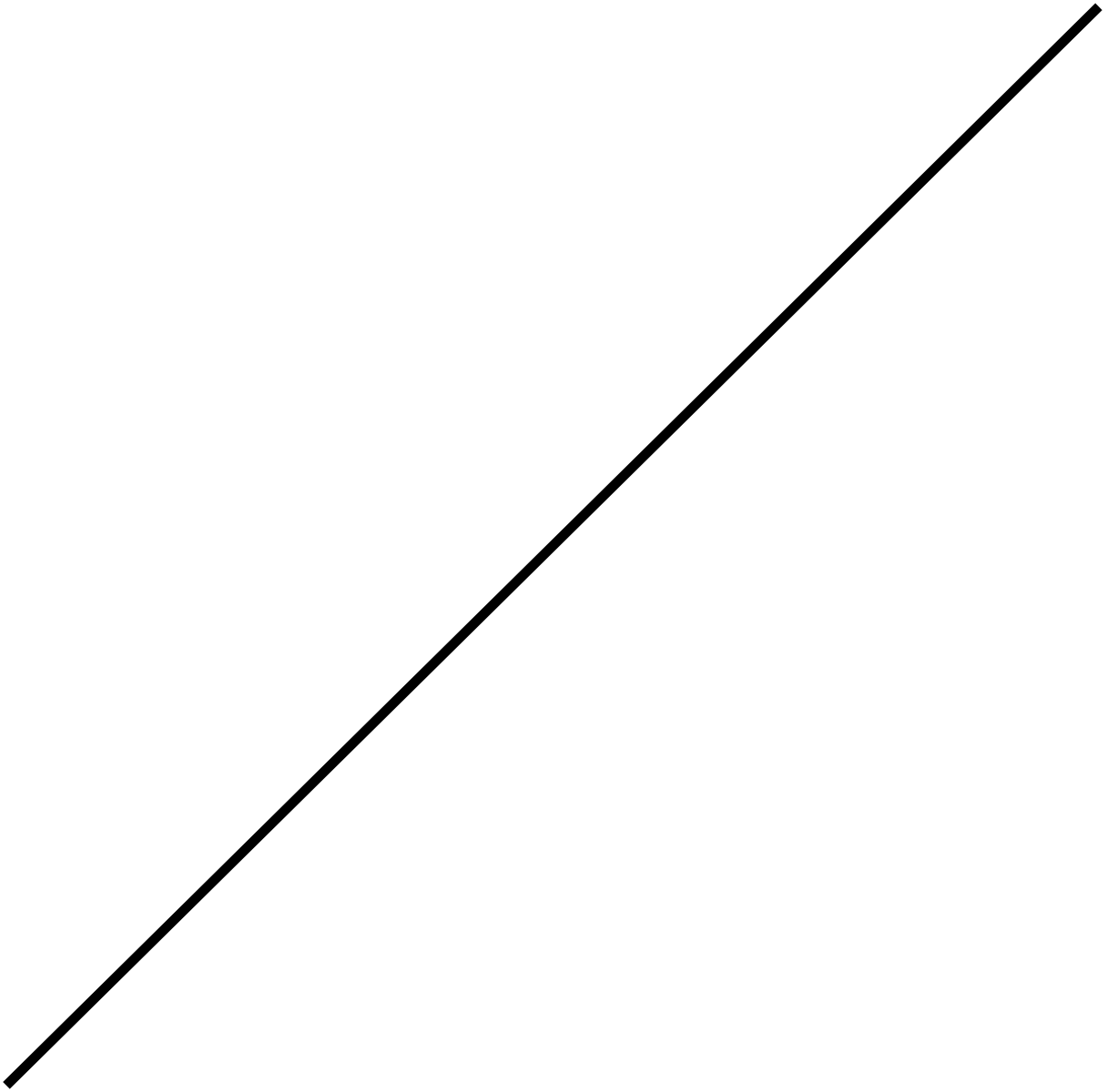
Is equal to the

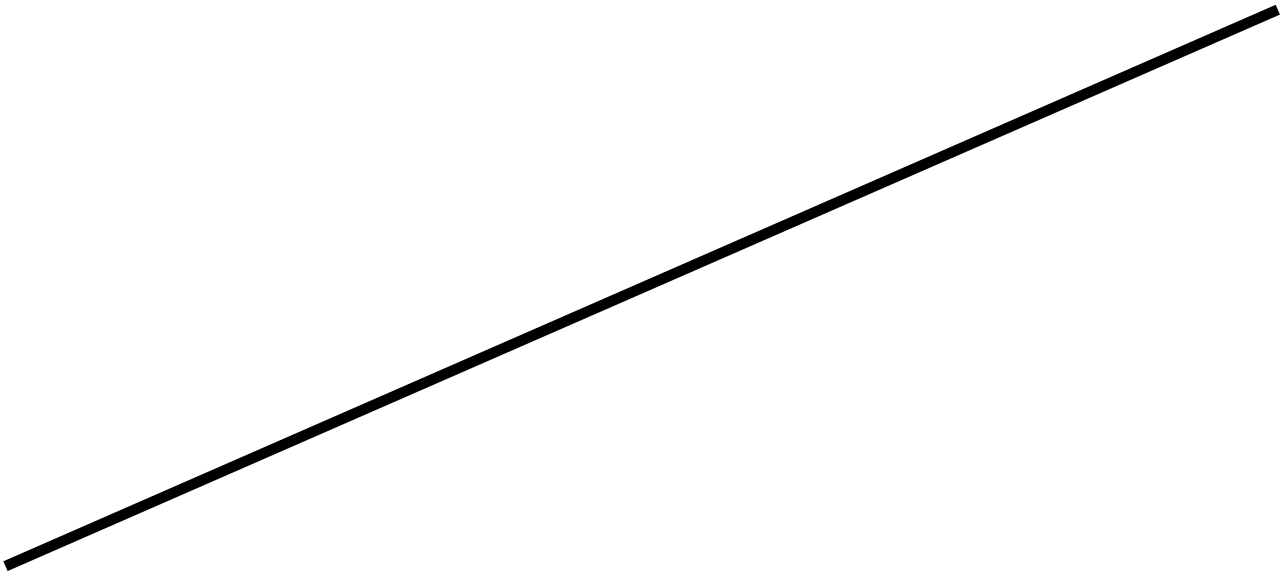


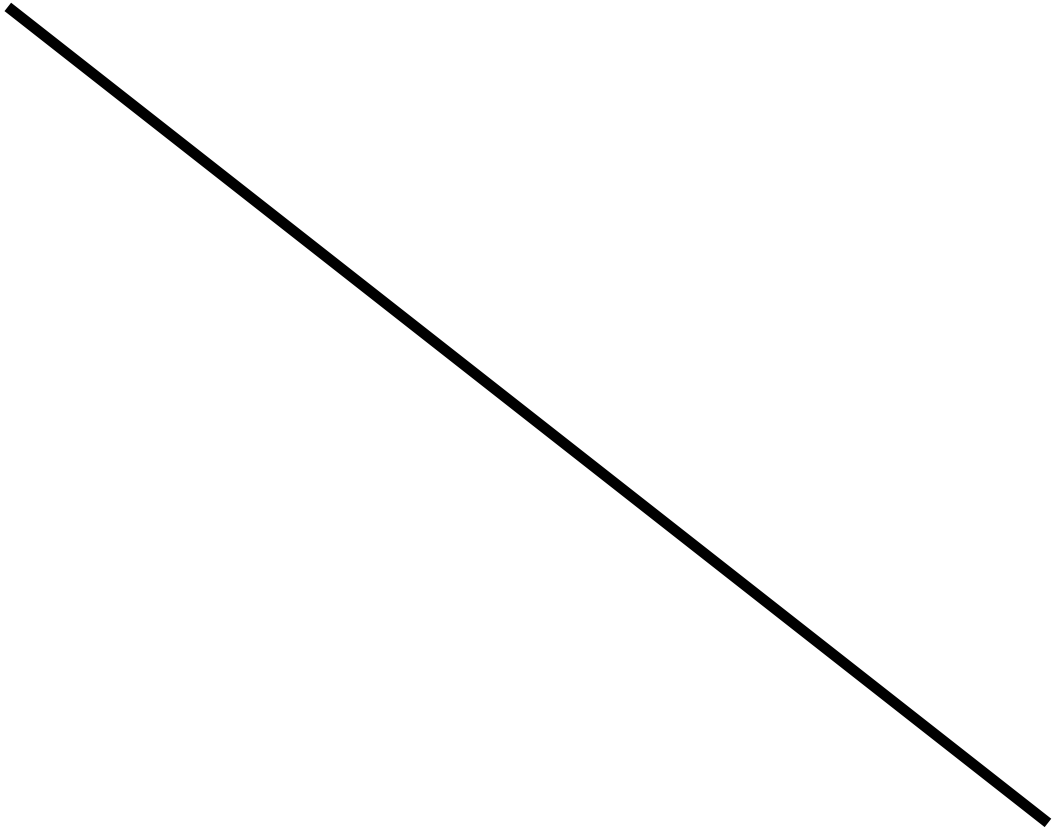












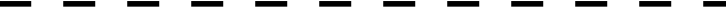




Prices are the same

AEo





A

E

1



If G, I, C, NX
increase
AE line
Shifts up

AD shifts
right

