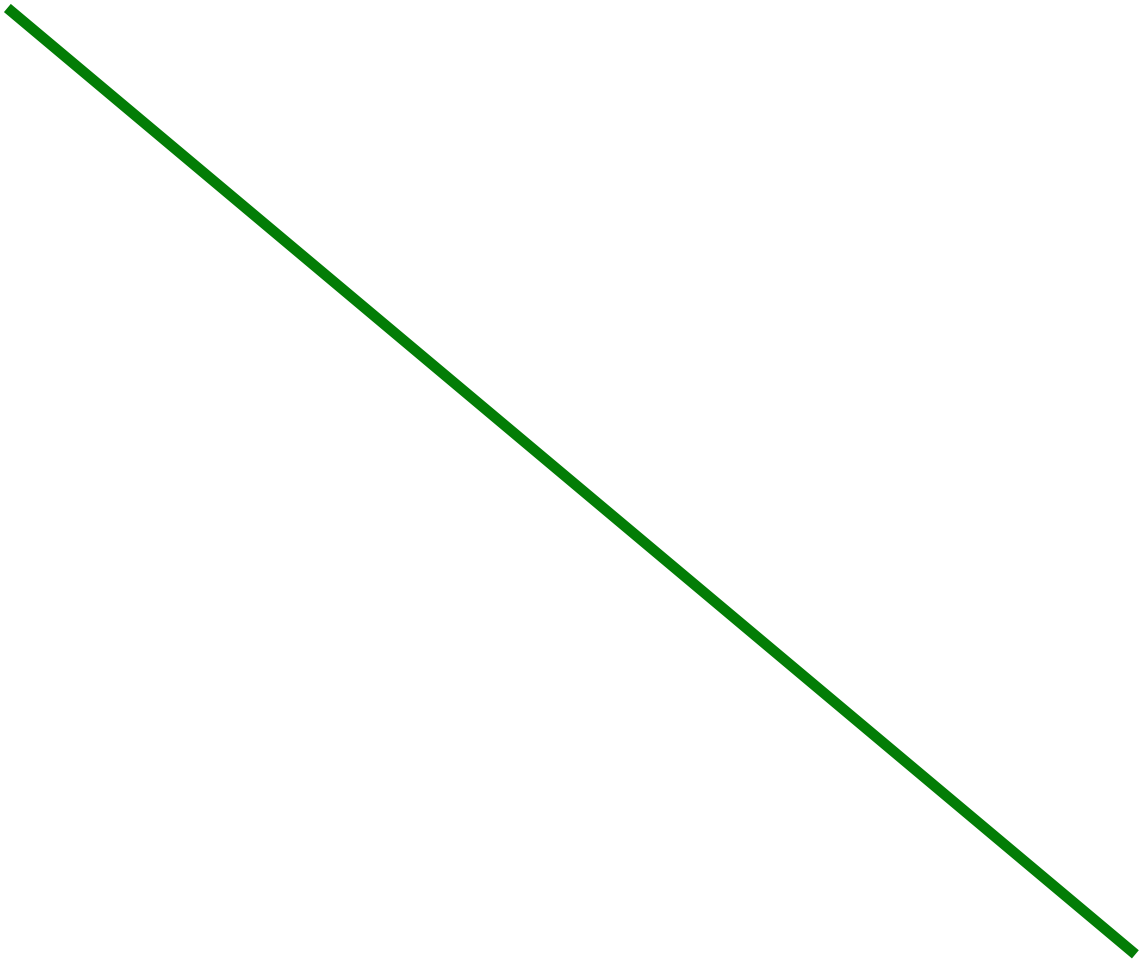


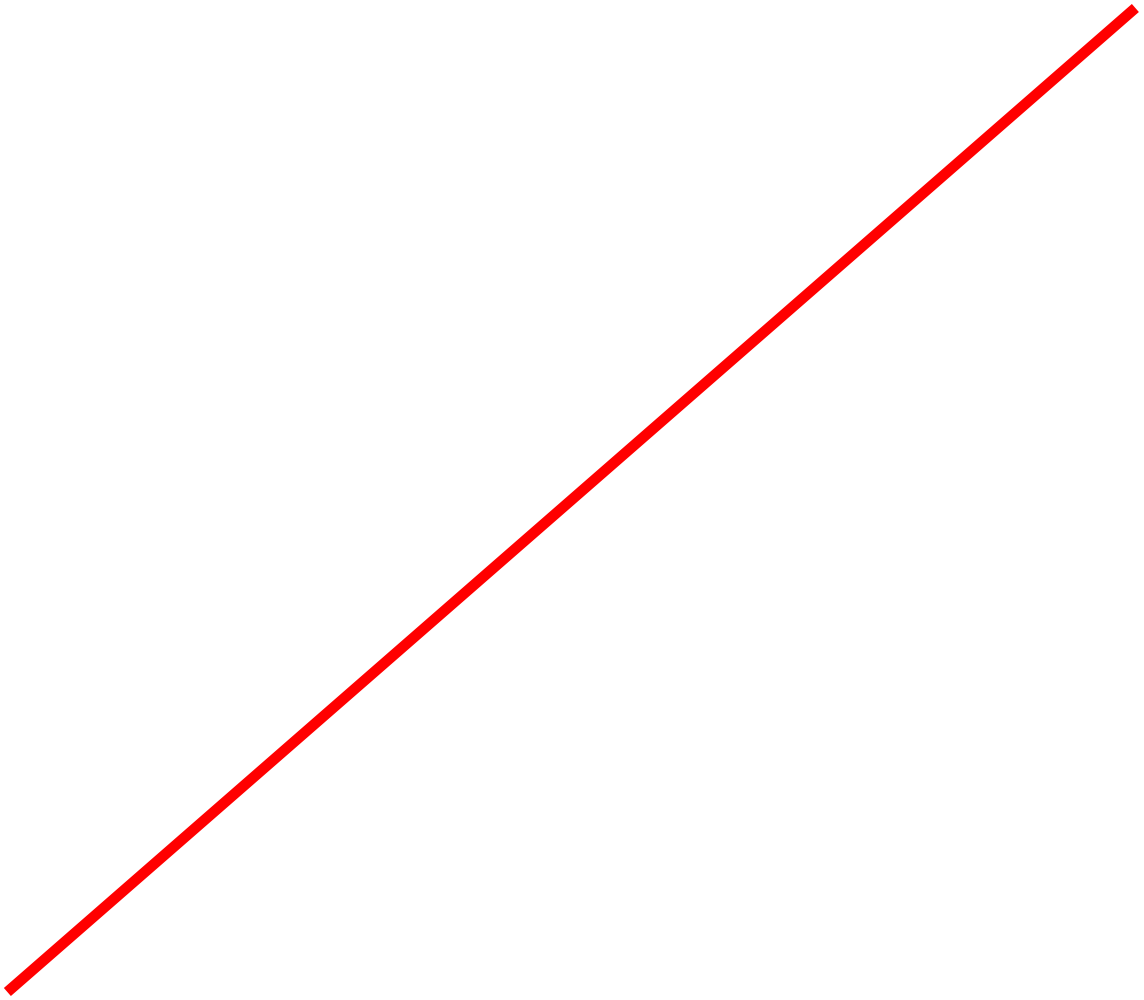
AS

If the price level is **130**

1. The quantity of goods demanded is equal to _____
2. The quantity of goods supplied is equal to _____
3. Inventories will _____ and firms will react to this change in inventories by _____ production and _____ prices.













A

D

120

1

3

0

140

3000



3200

3400



Produce 32000

Purchase 3200



130

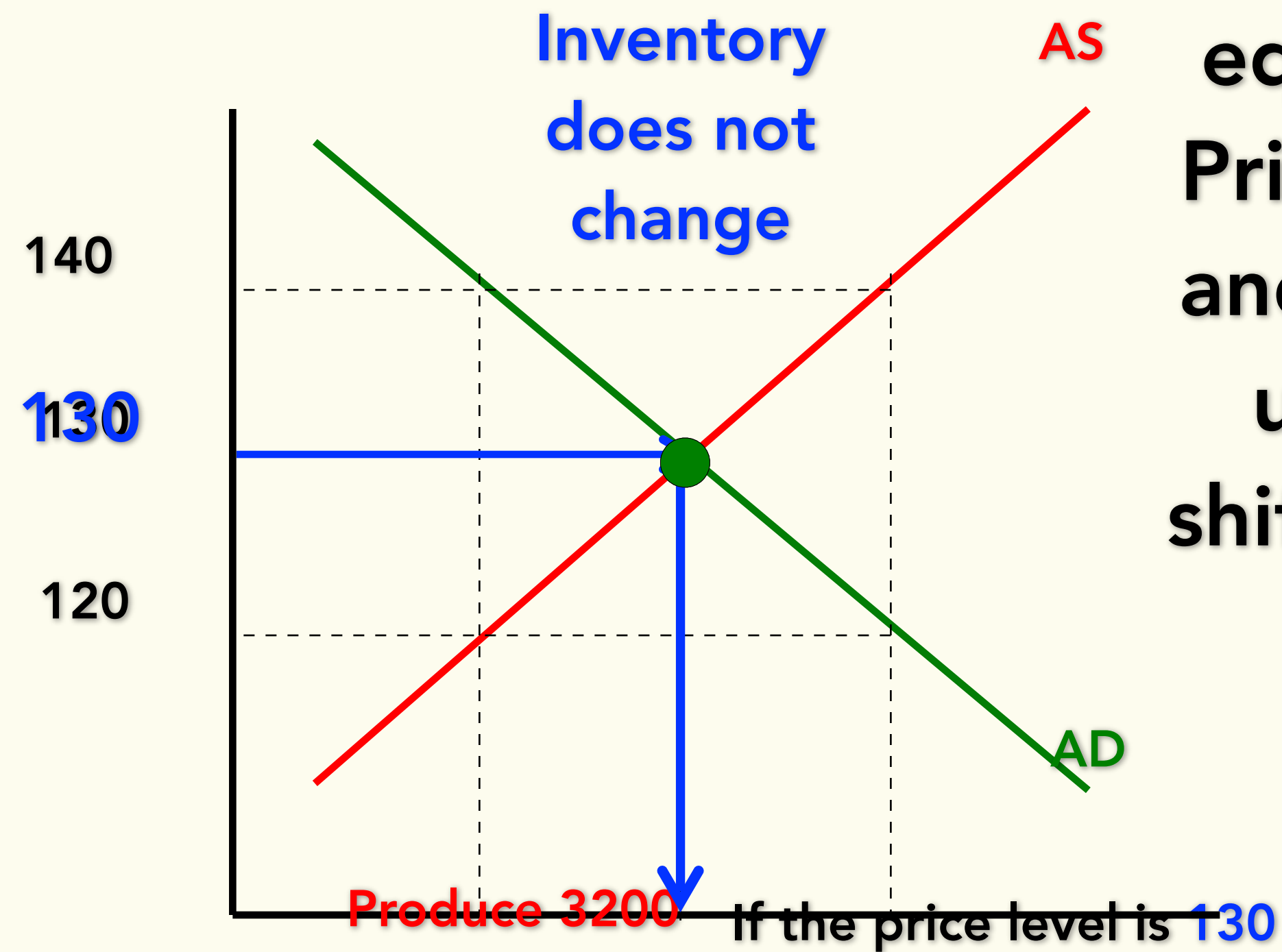
**Inventory
does not
change**

**The Economy will
remain in
equilibrium with
Price Level = 130
and GDP = 3,200
until an event
shifts either AS or
AD**





The Economy will remain in equilibrium with Price Level = 130 and GDP = 3,200 until an event shifts either AS or AD



1. The quantity of goods demanded is equal to _____
2. The quantity of goods supplied is equal to _____
3. Inventories will _____ and firms will react to this change in inventories by _____ production and _____ prices.

