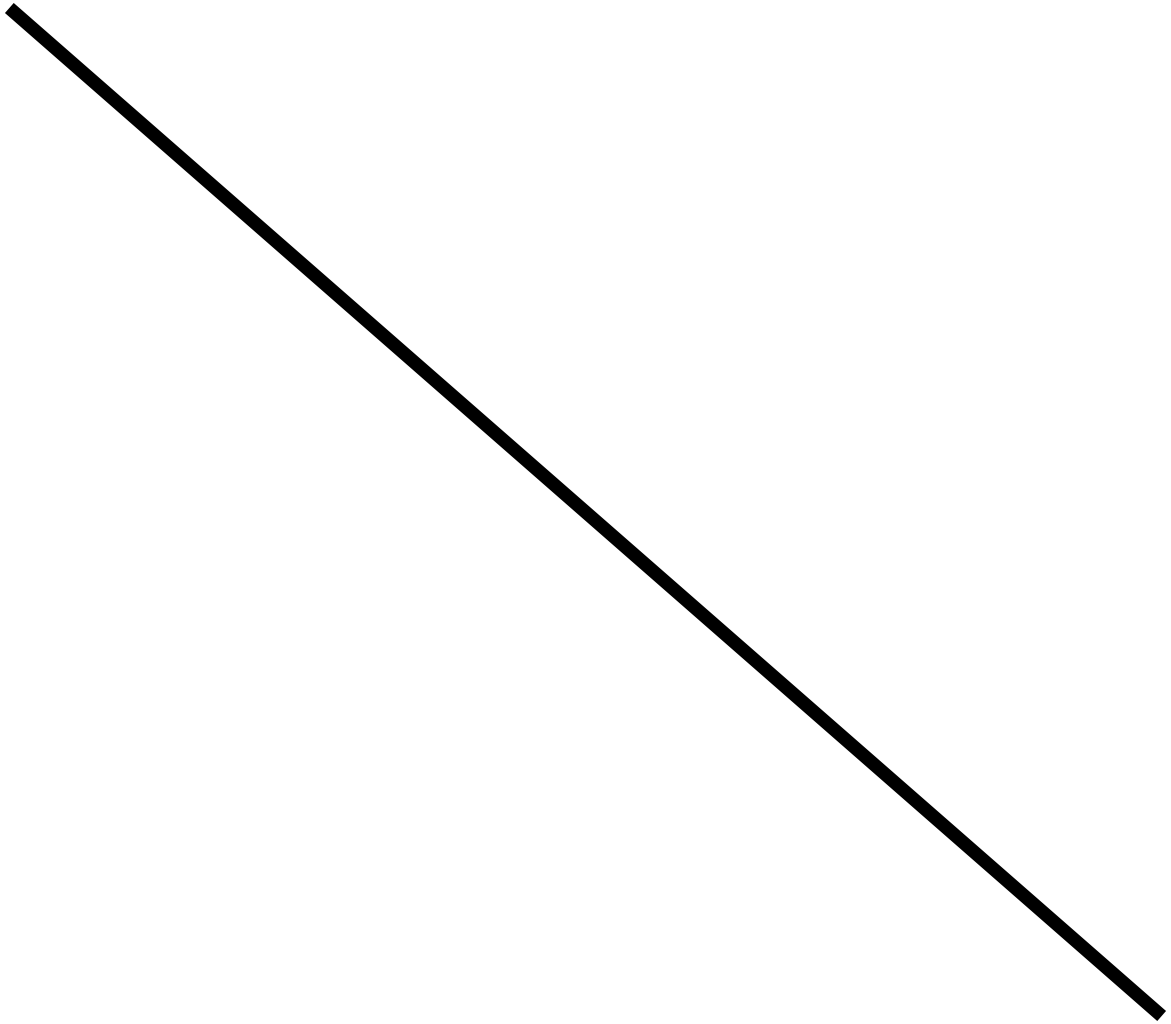
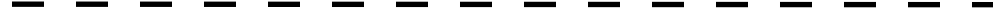


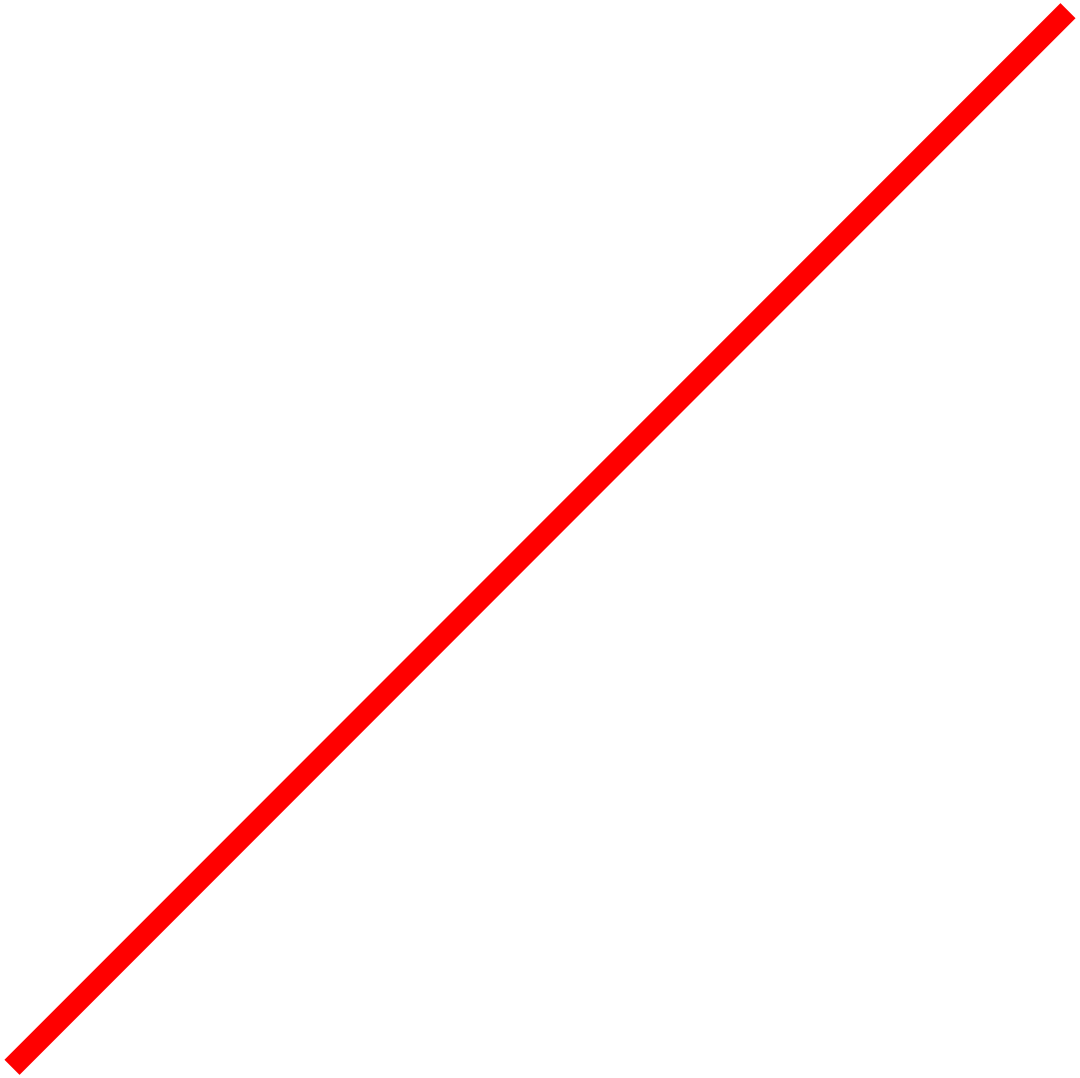
**As prices
increase
AD
decrease**



Po



AS



GDP Produced

Aggregate Supply – Aggregate

Demand

Prices

Real GDP



At this price level

Aggregate

Demand >

Aggregate Supply

Total Sales (AD) >

Production (AS)

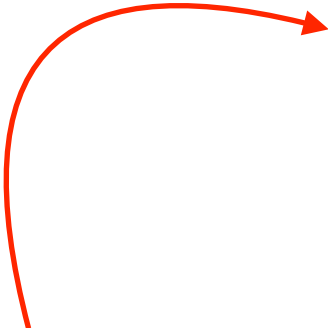
Inventories drop

GDP Purchased





**Firms
increase
production
and prices**



AD

