

# A. Increase oil prices



# B. Increase in autonomous consumption



# **Adverse** supply shock with increase in government spending



#### D. Rising wage rates

# Increase in labor

productivity

### Lower wages









# Which graph best describes the effect of the following events



supply shock increase in B government spending Price Level D. Rising wage Real GDP (2) Real GDP (1) Increase in productivity Price Level Price Level F. Lower wages Which graph best describes the effect of the following events

Price Level

with

rates

labor

#### AS shifts more than AD

