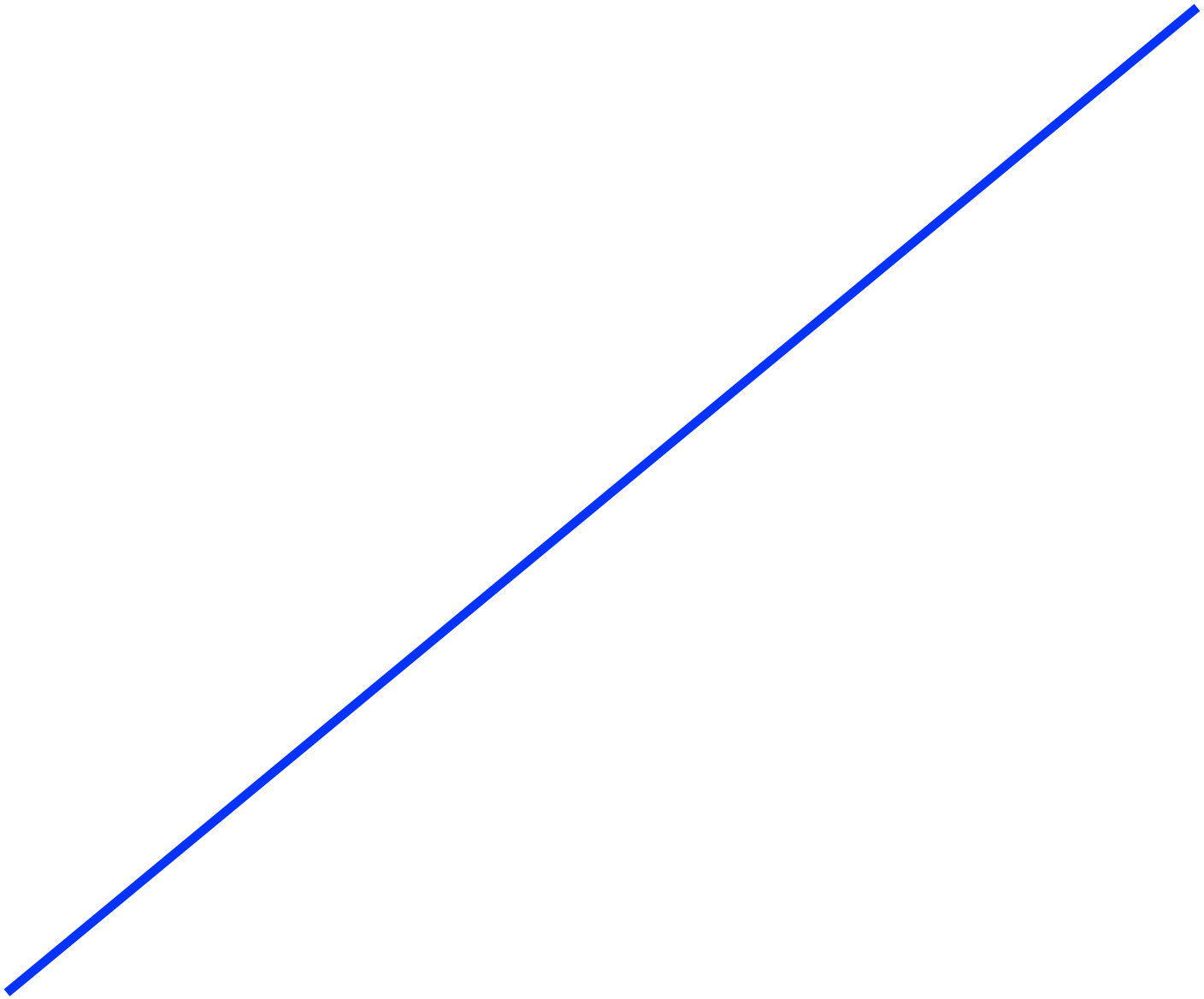


Short Run Aggregate Supply

Curve Slopes Upward

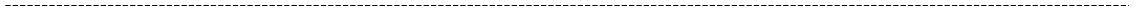




Price Level

Real GDP Supplied

SRAS(Wag
 e_0)







AS

O

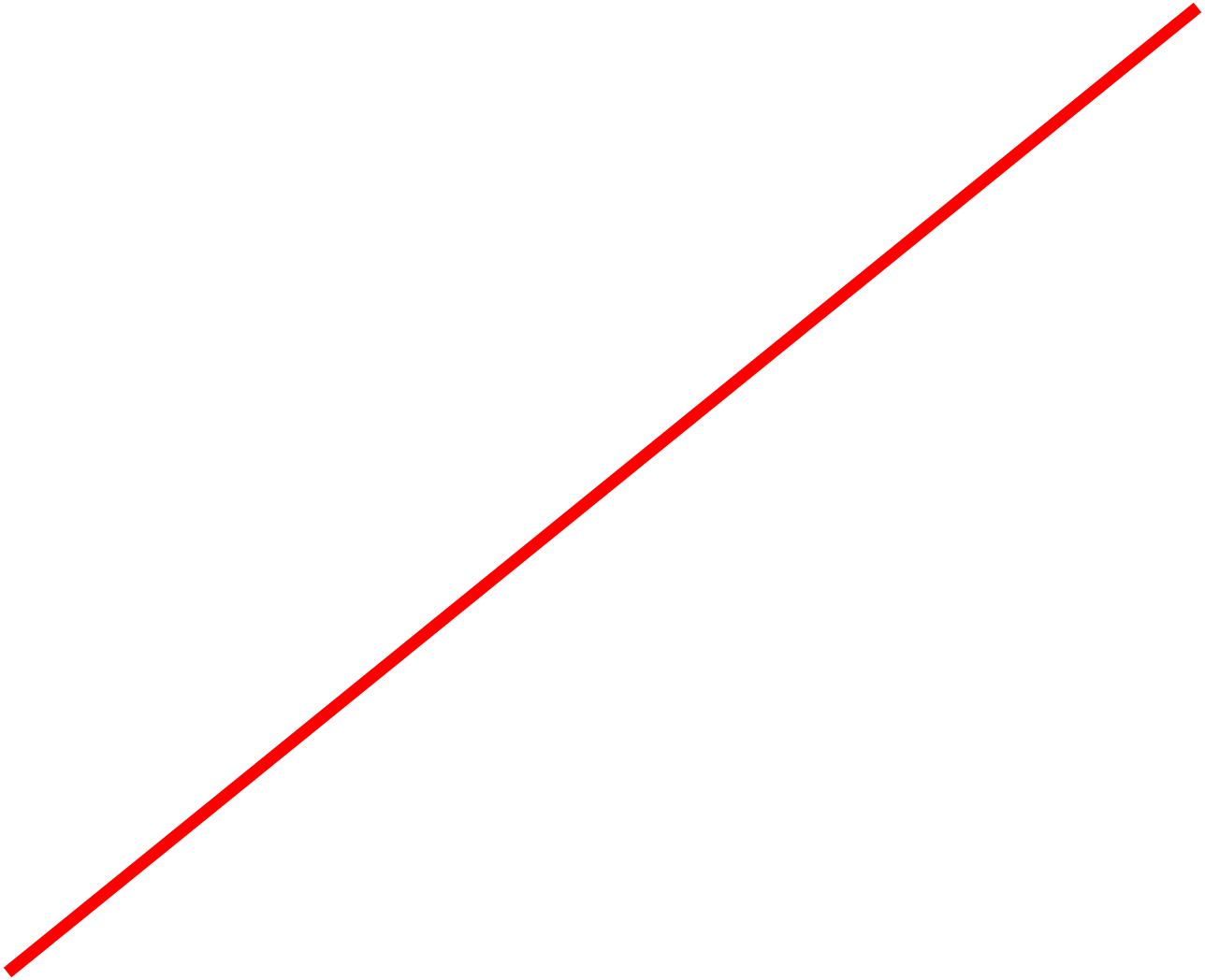
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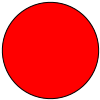
1

P

O









Production Decrease

SRRAS (Wagner)



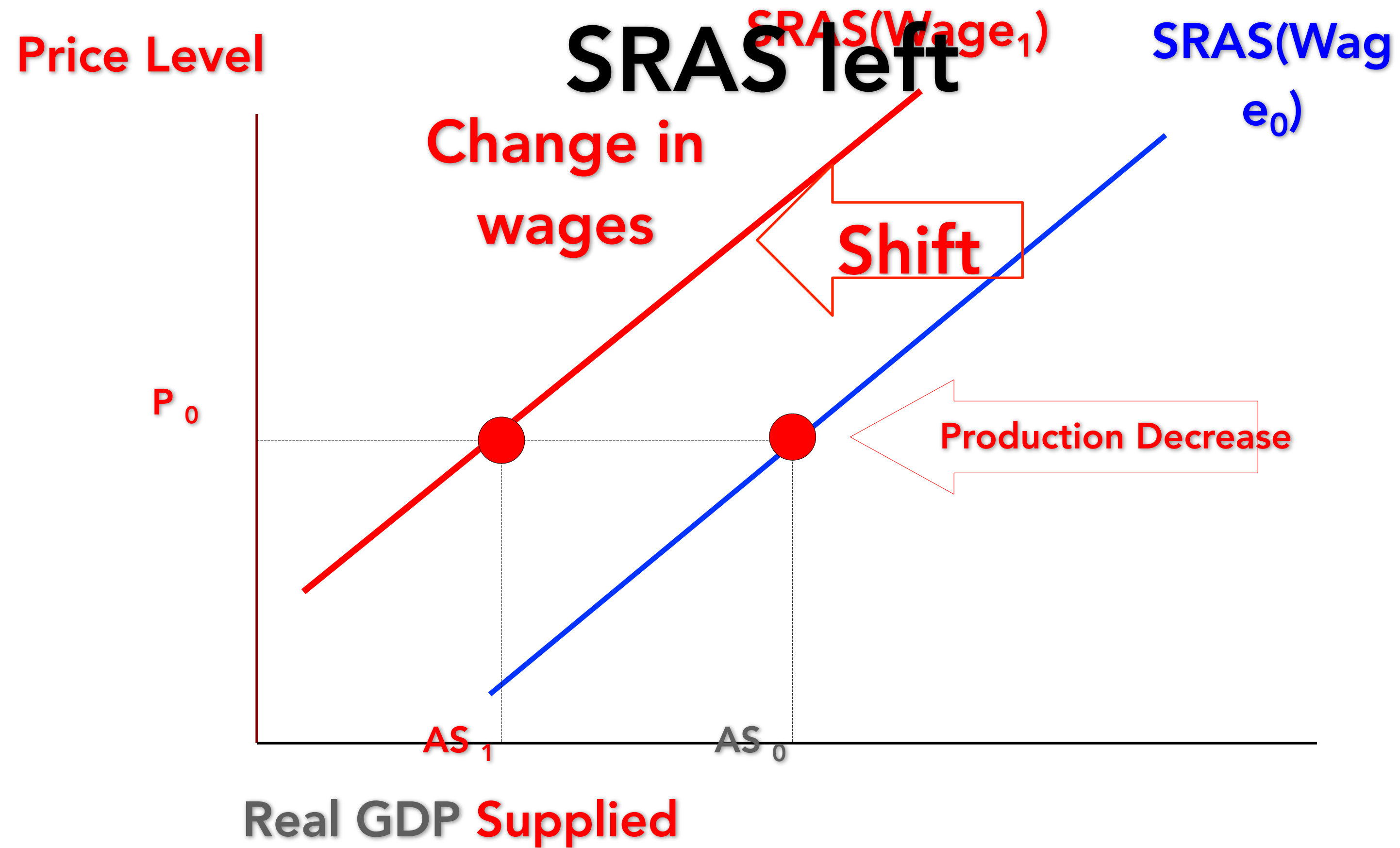
**Nominal
Wages
Increase**

**Change in
wages**

An increase in wages shifts

SRAS left

An increase in wages shifts



Increase in Aggregate Expenditures

AE

