

**A**

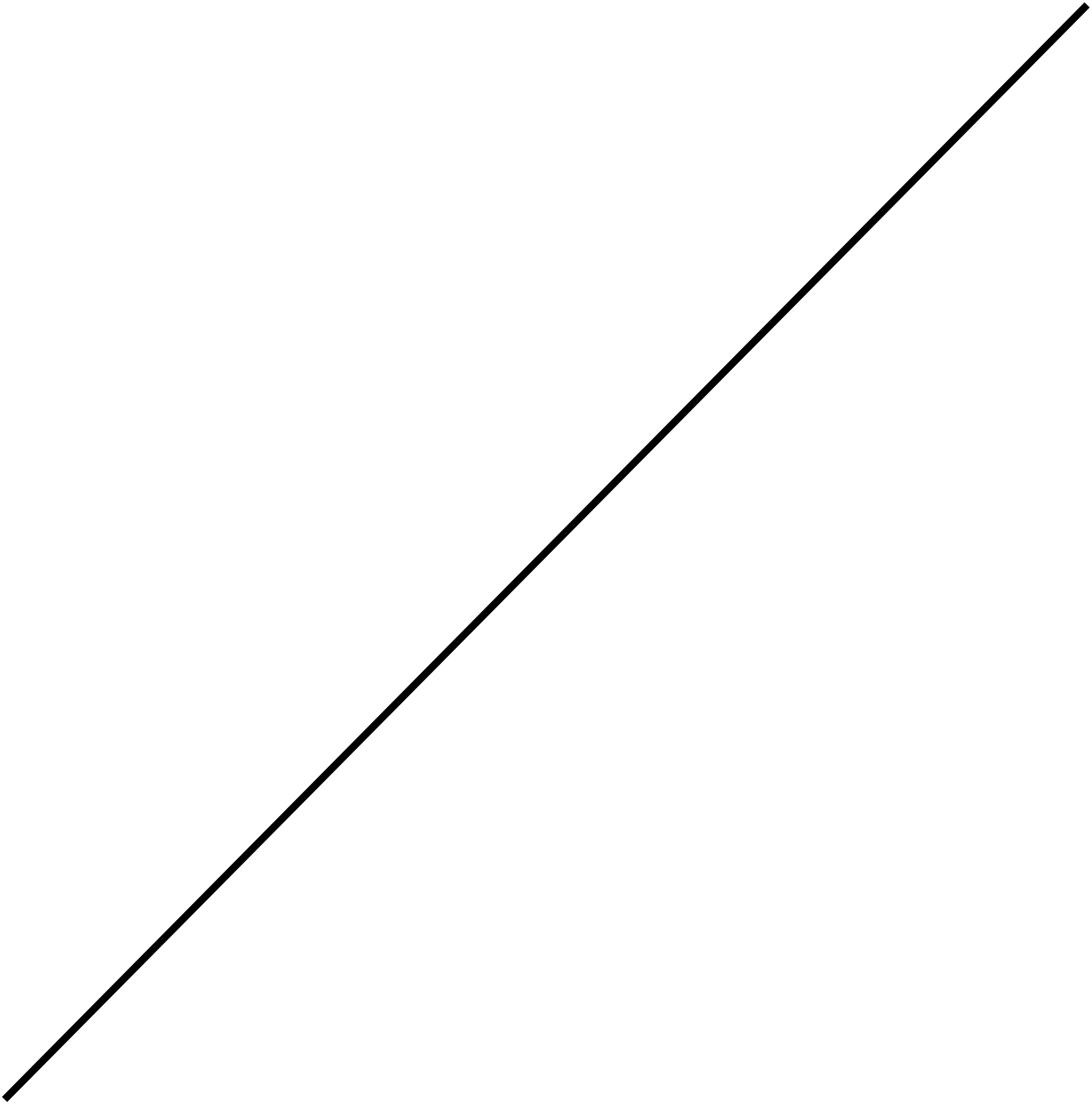
**E**



Equilibrium GDP:

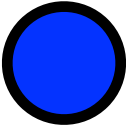
6,000







Equilibrium



A

E

# Potential GDP



Potential

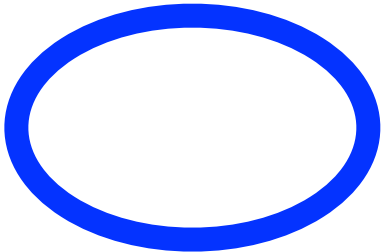
GDP : 7,000

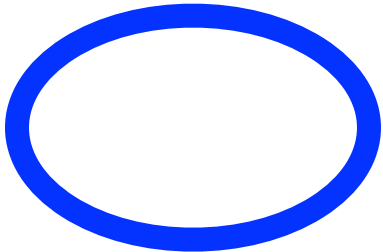


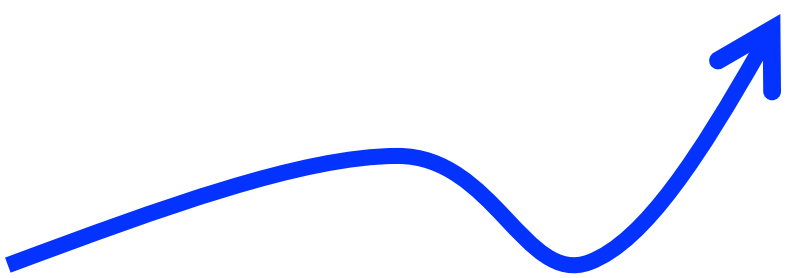
450


$$7,000-6,000=1,000$$



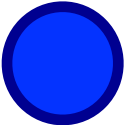


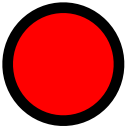




A blue speech bubble with a tail pointing towards the bottom right corner. Inside the bubble, the text "Economy is producing less than desired output" is written in blue, with the word "less" highlighted in red.

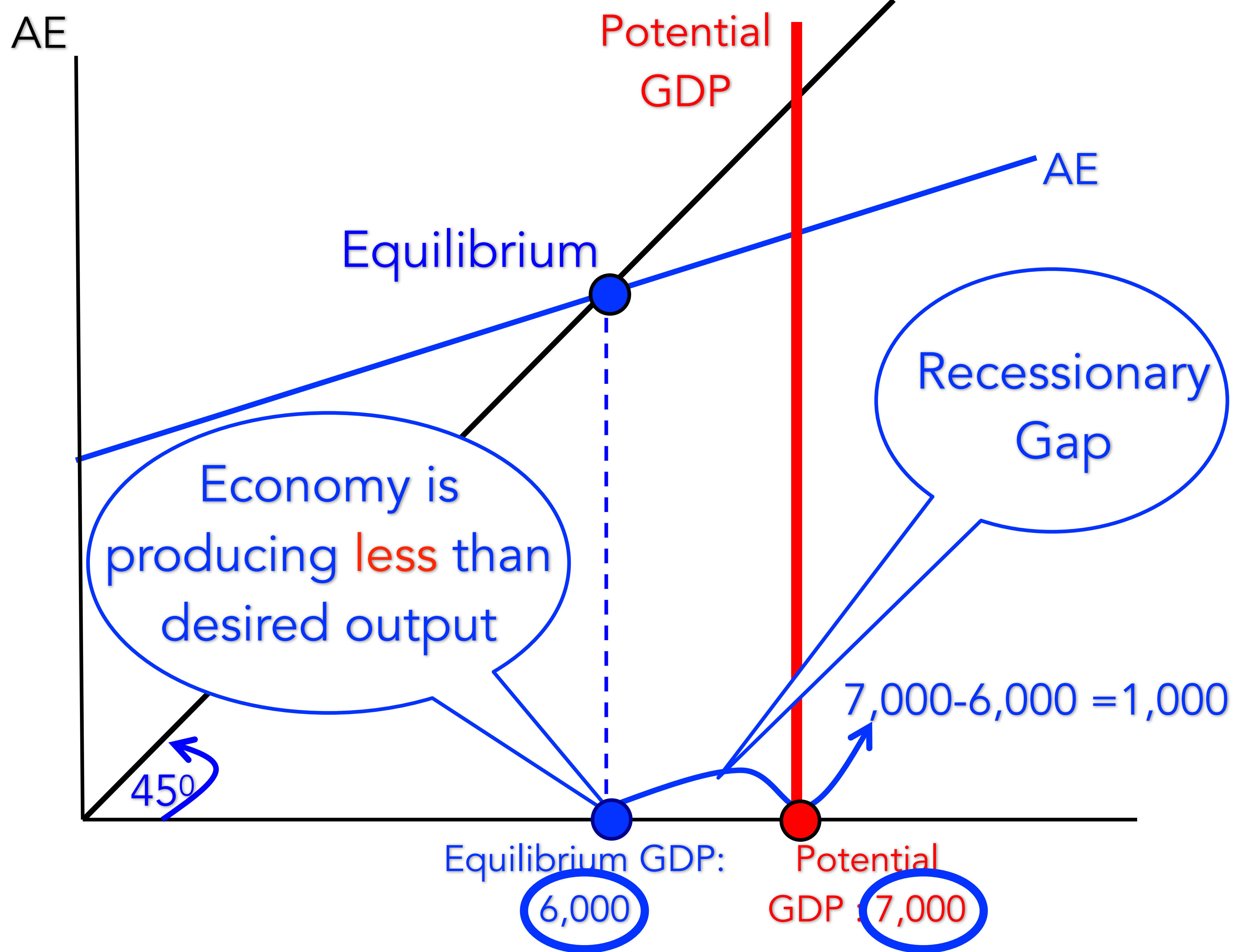
Economy is  
producing less than  
desired output





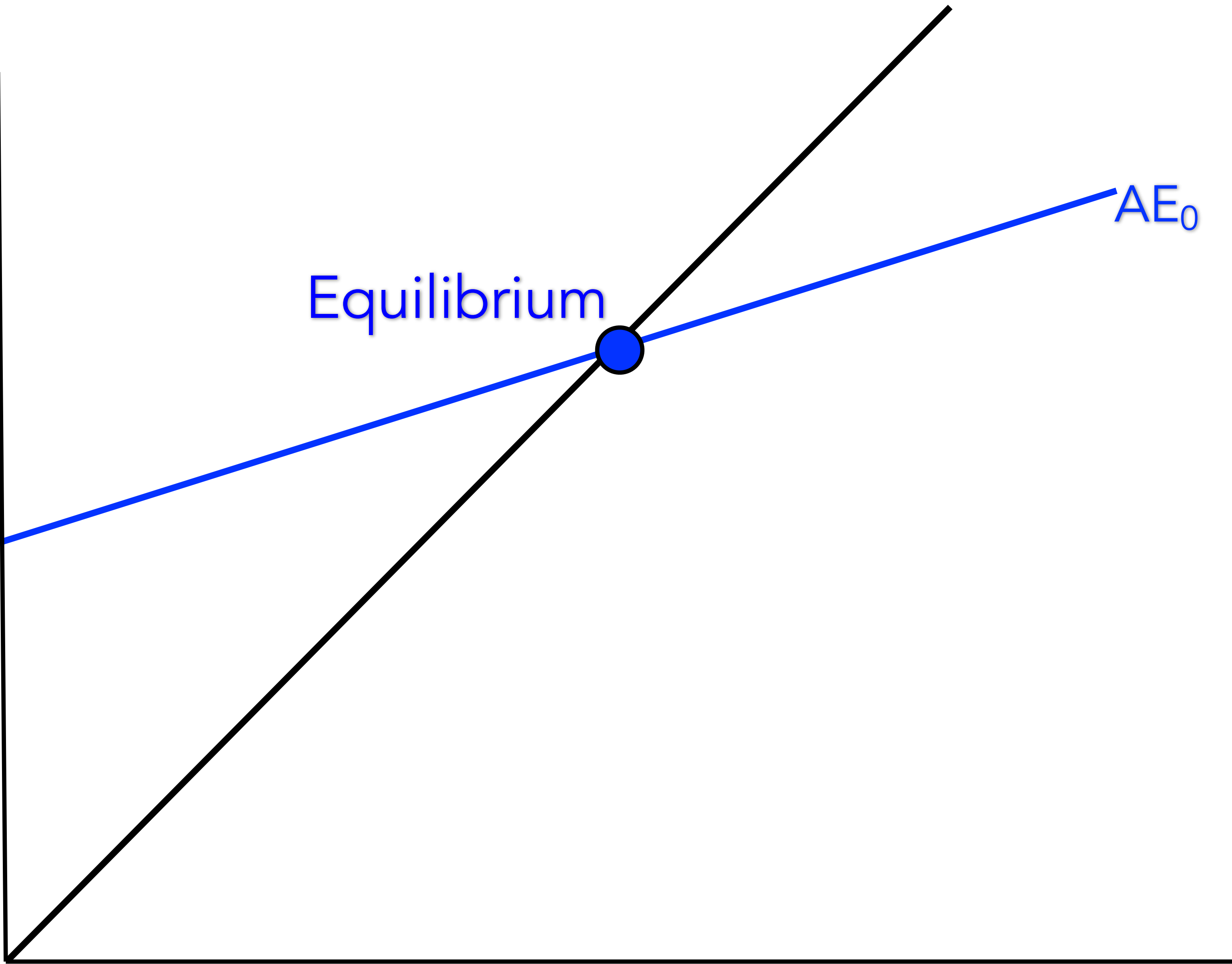


Recessionary  
Gap





AE



$AE_0$

Equilibrium