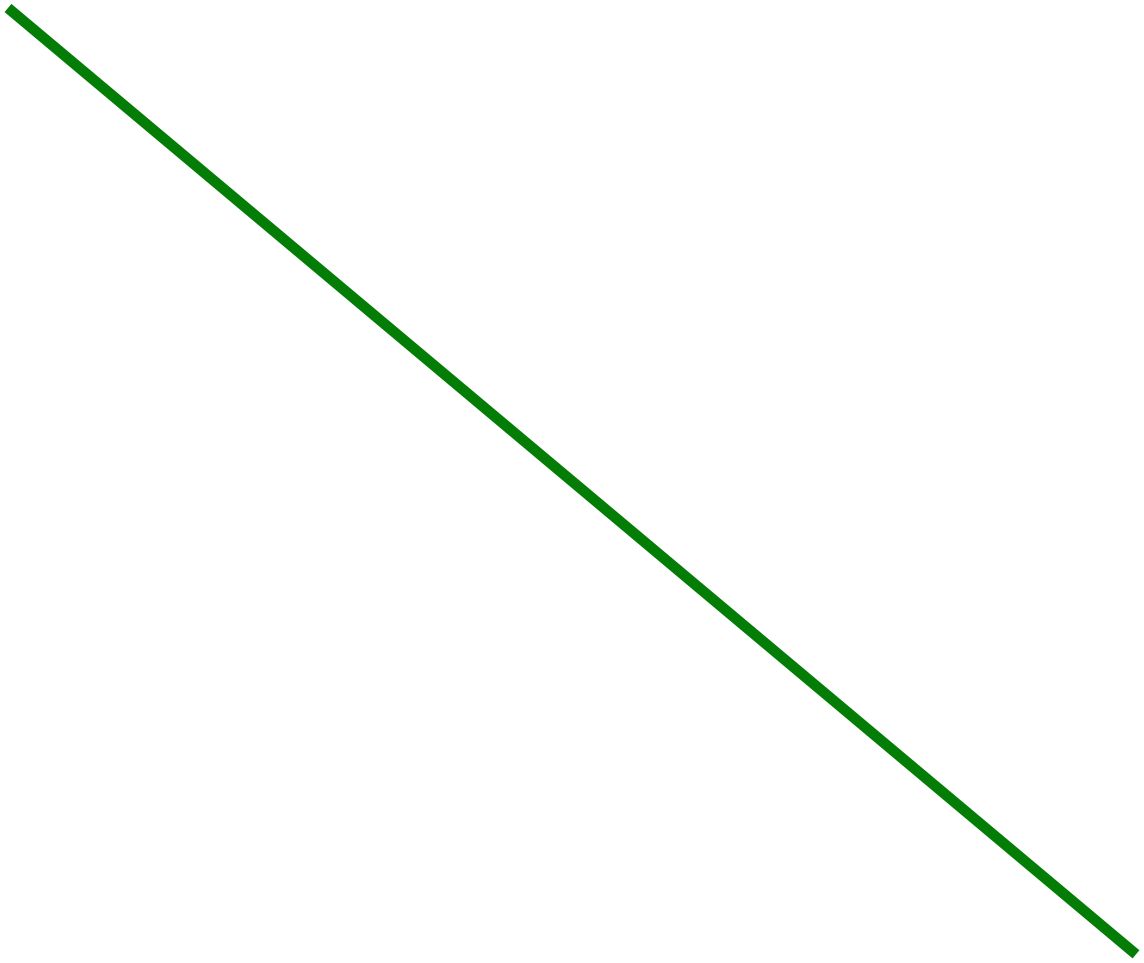
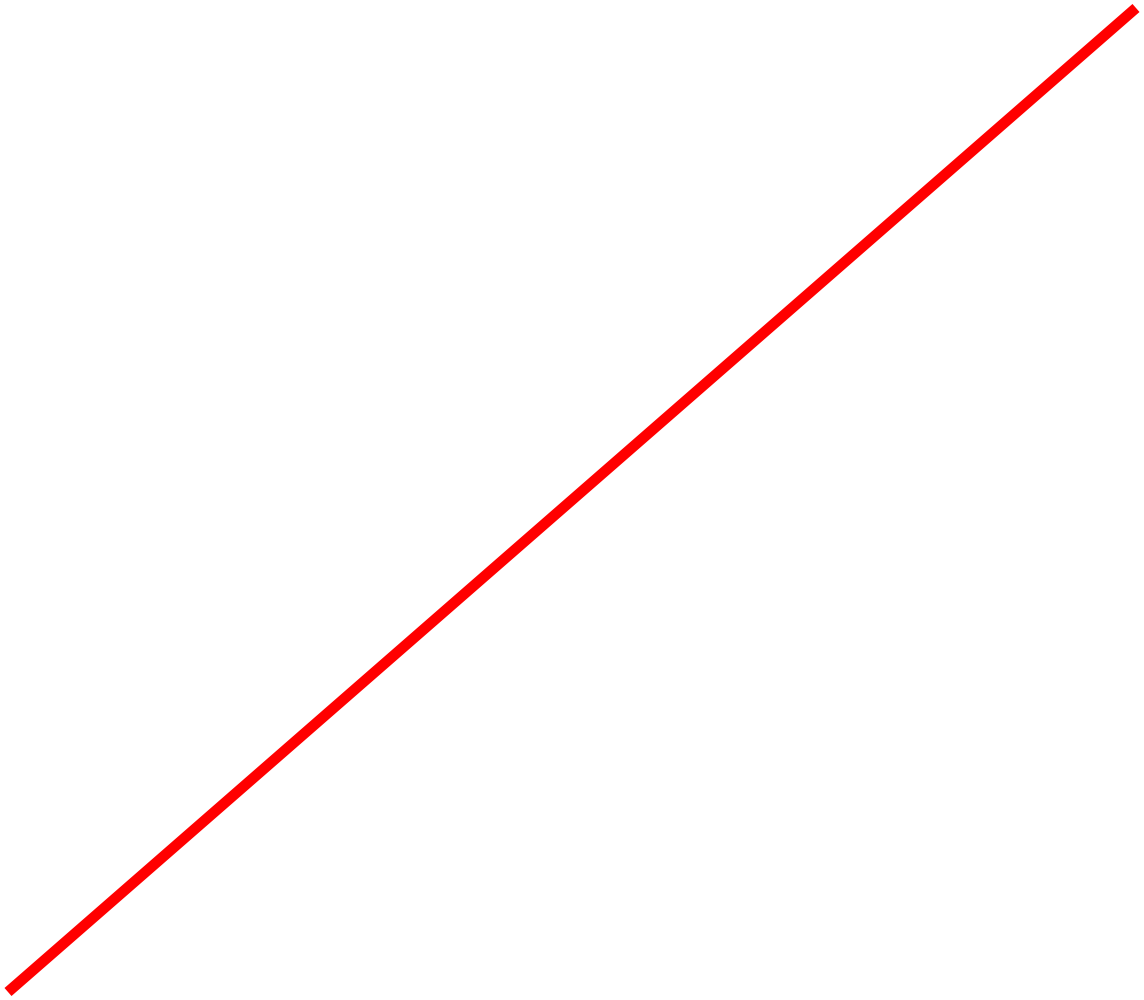


AS















AD

1

2

0

1

3

0

140

3000



3200

3400



Produce 34000

Purchase 30000



140

Inventory Increase by 34000 - 30000

If the price level is 140

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

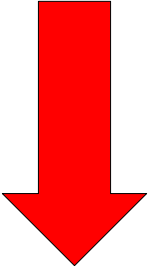
3400

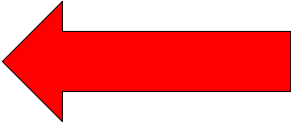
3000

Increases by 4400

Decreasing

Decreasing

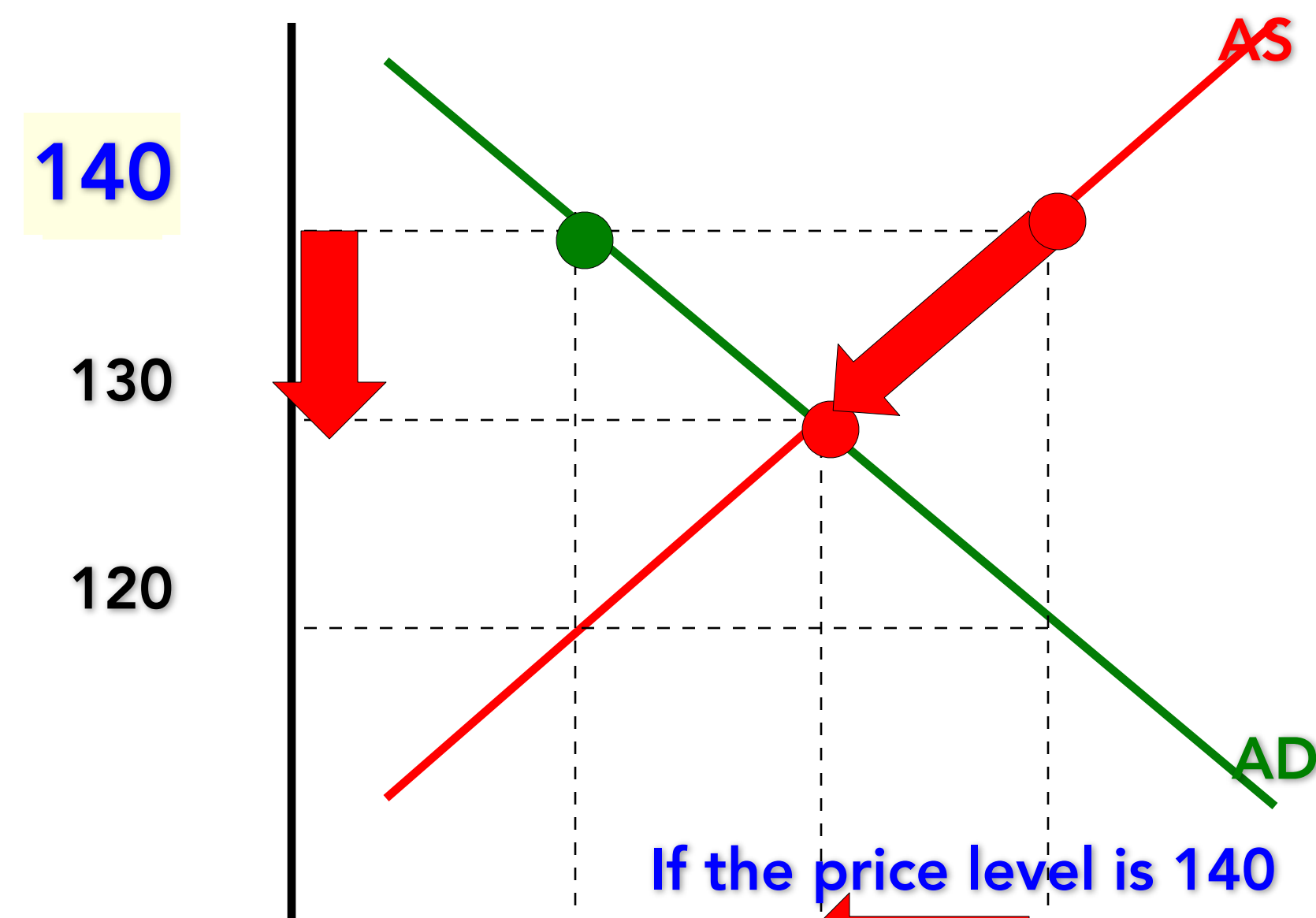




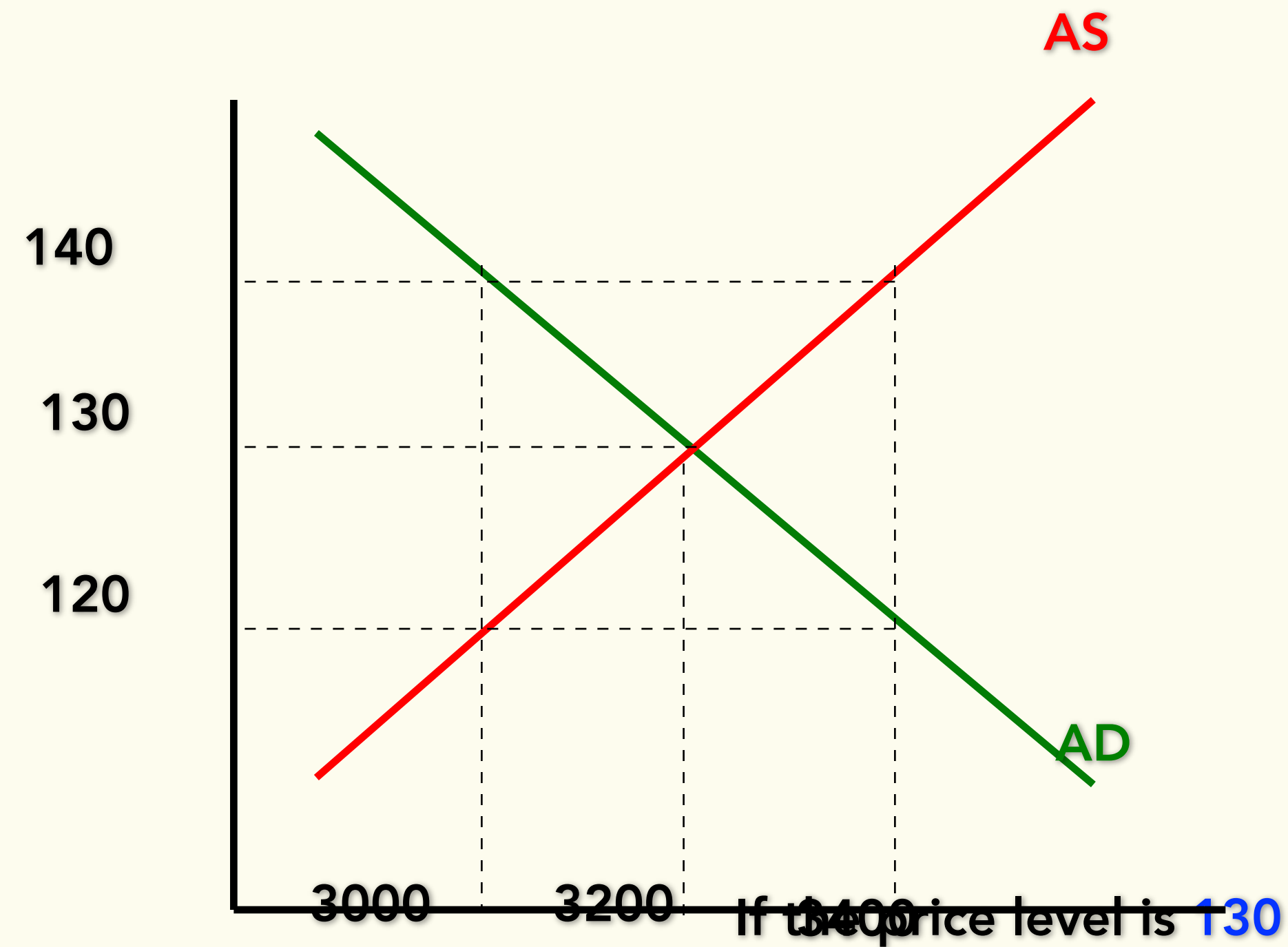








1. **Purchase 3400** The quantity of goods supplied is equal to 3400
2. The quantity of goods demanded is equal to 3400
3. Inventories will increase by 400 and firms will react to this change in inventories by decreasing production and decreasing prices.



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.