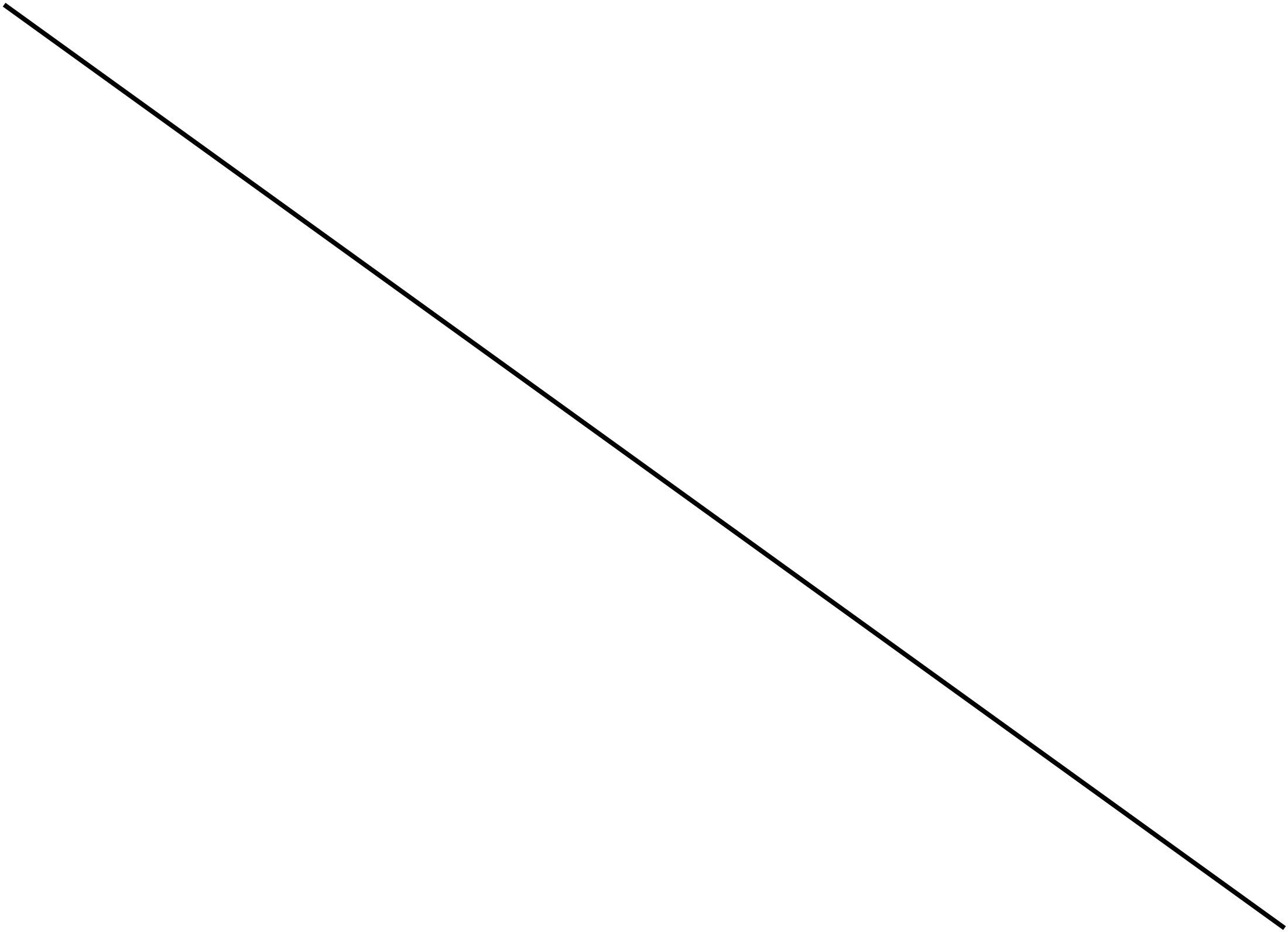


Price Level

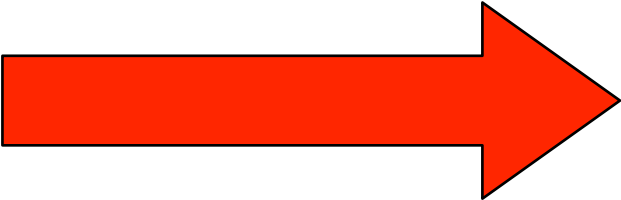
P0-----P

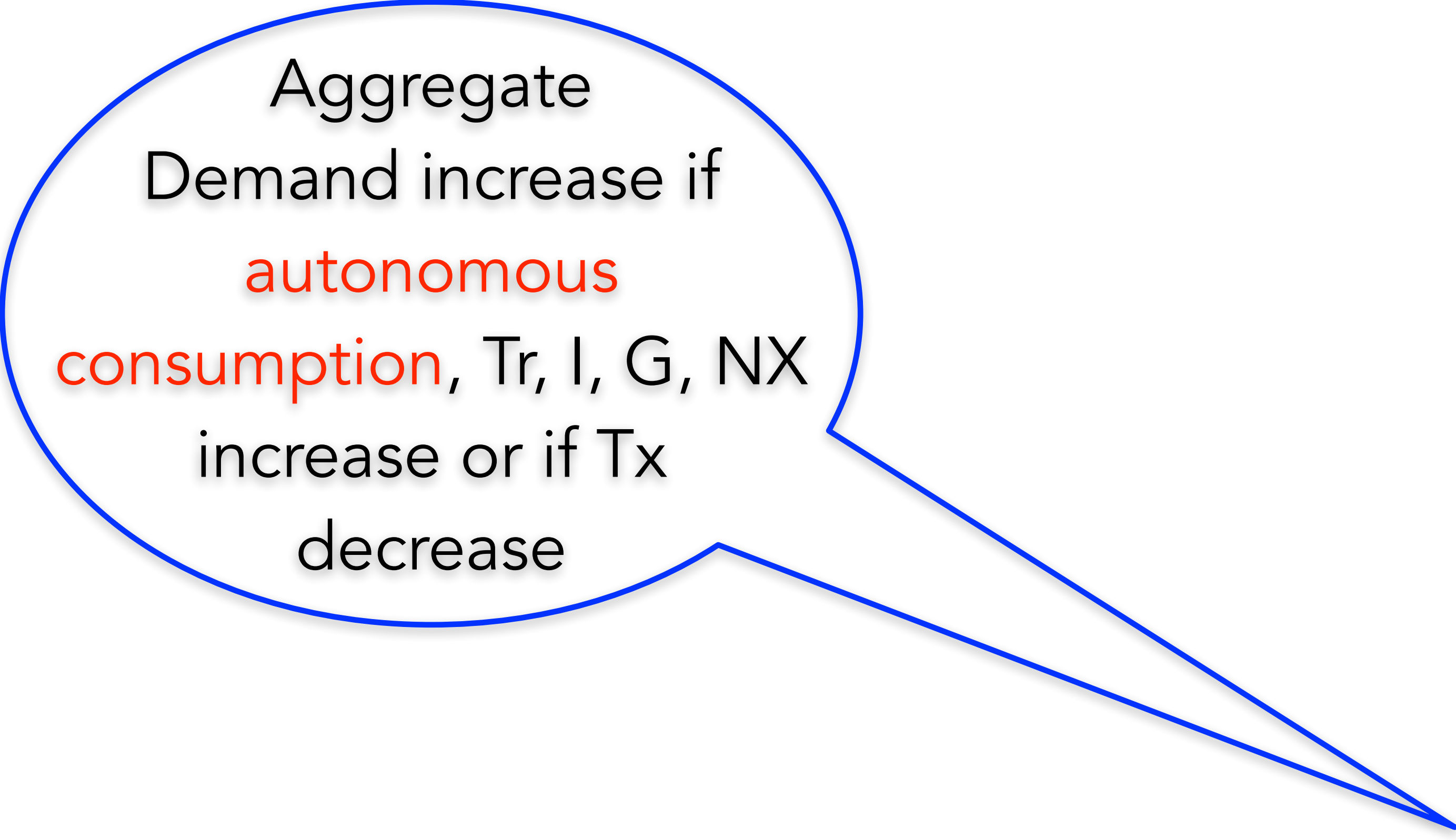
AD₁



AD₀

AD₁





Aggregate
Demand increase if
autonomous
consumption, T_r , I , G , NX
increase or if T_x
decrease



If **Prices** remain
the same: AD
shifts right

P₀-----P₀

AD₀

Price Level

