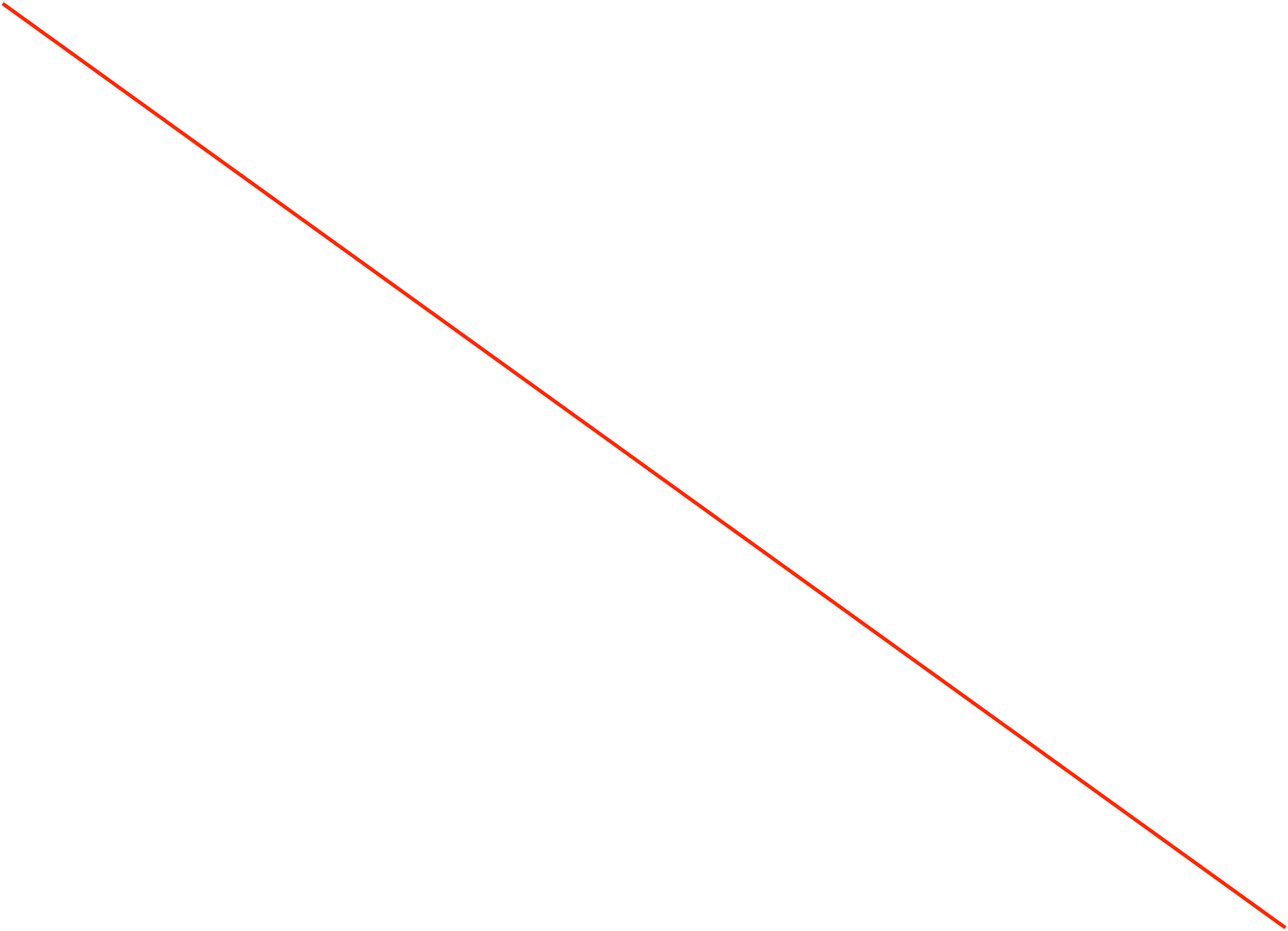
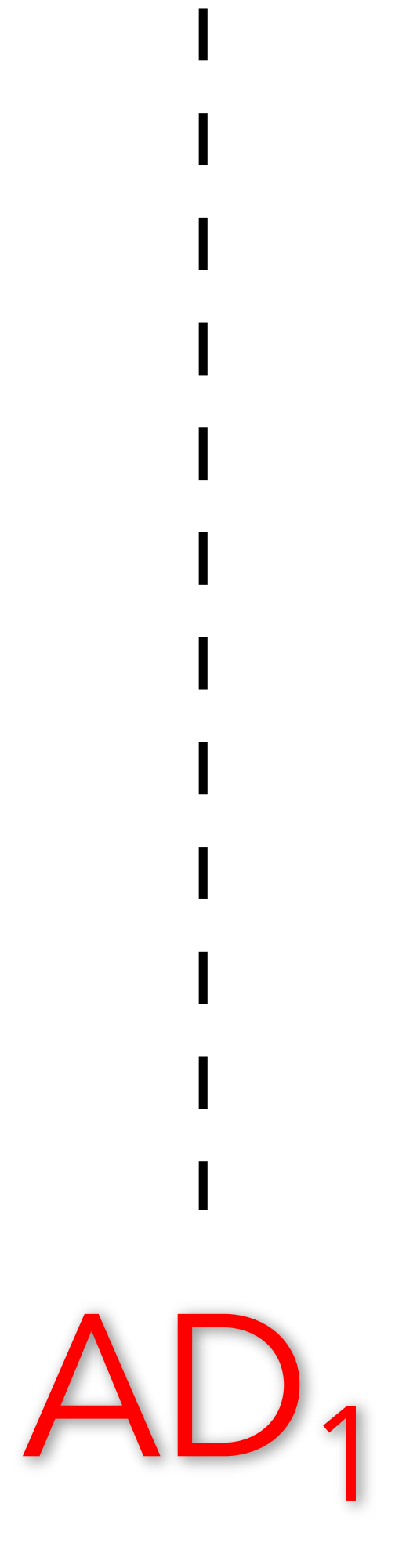
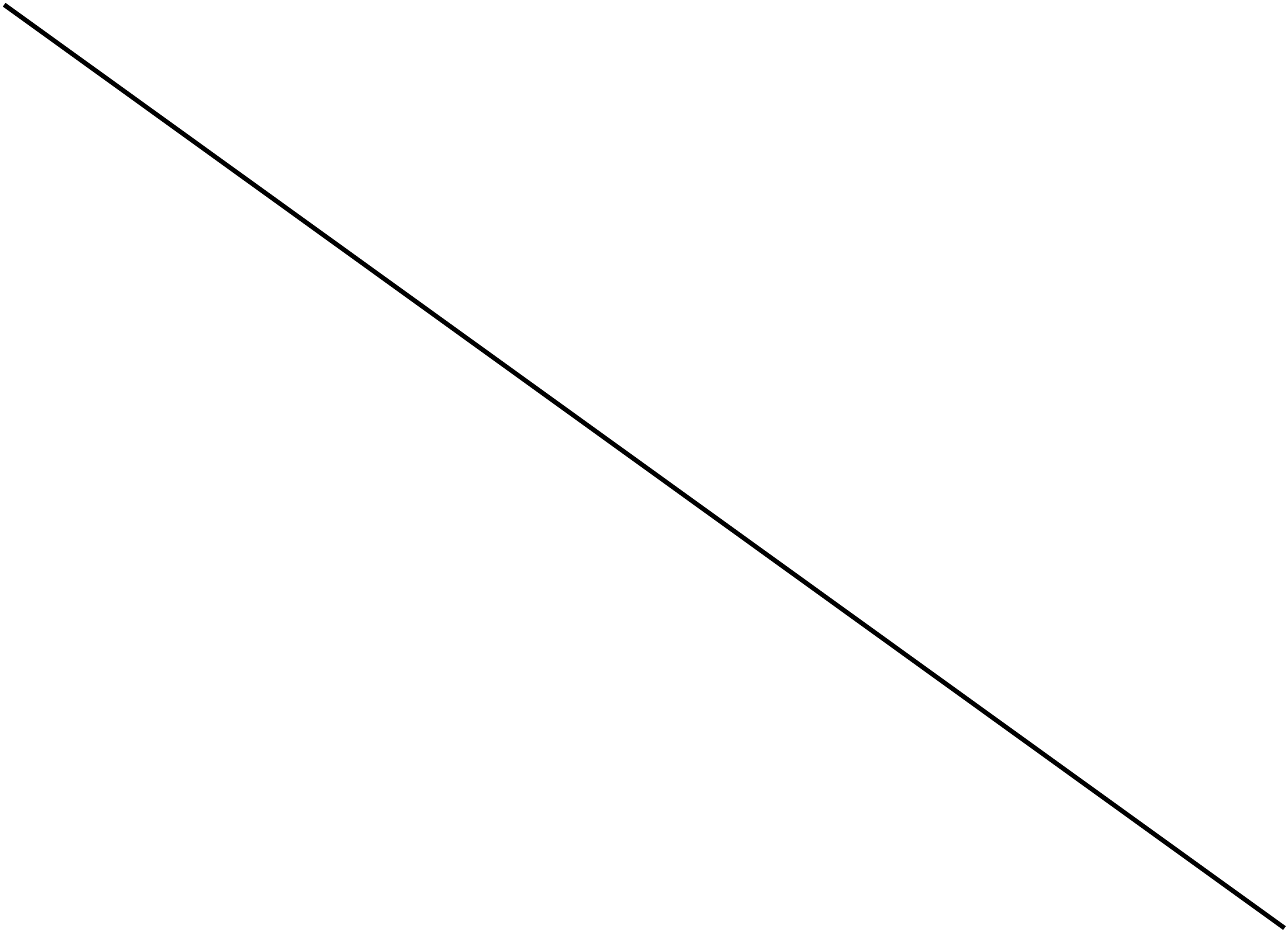


Price Level

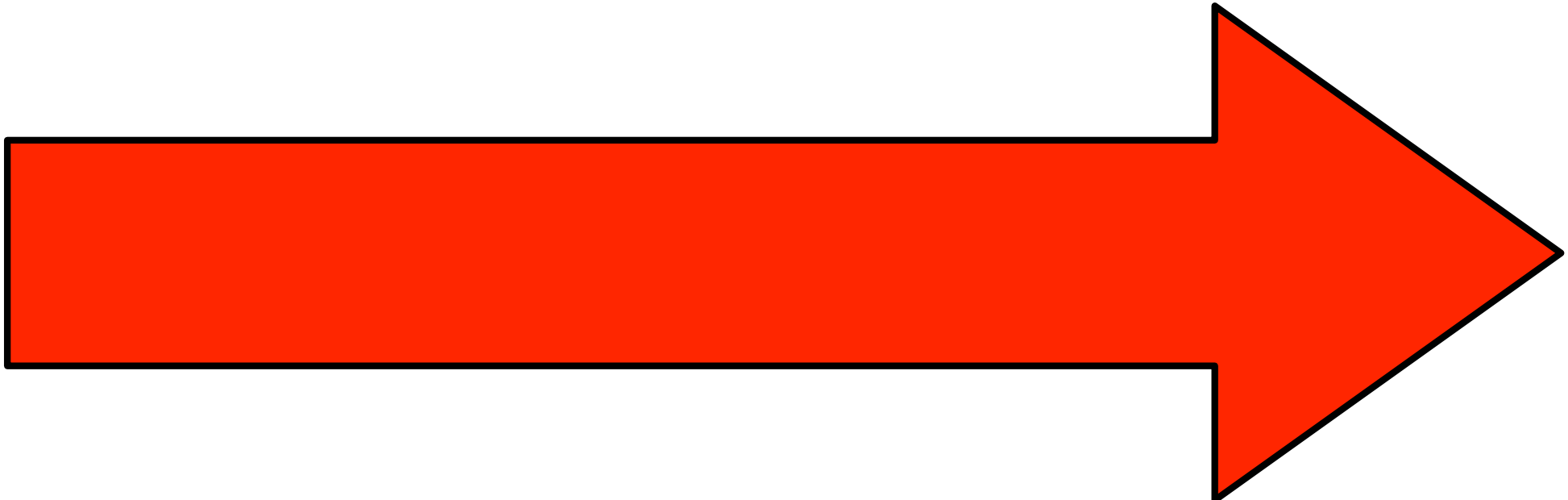
P_0


AD1



AD0

AD1

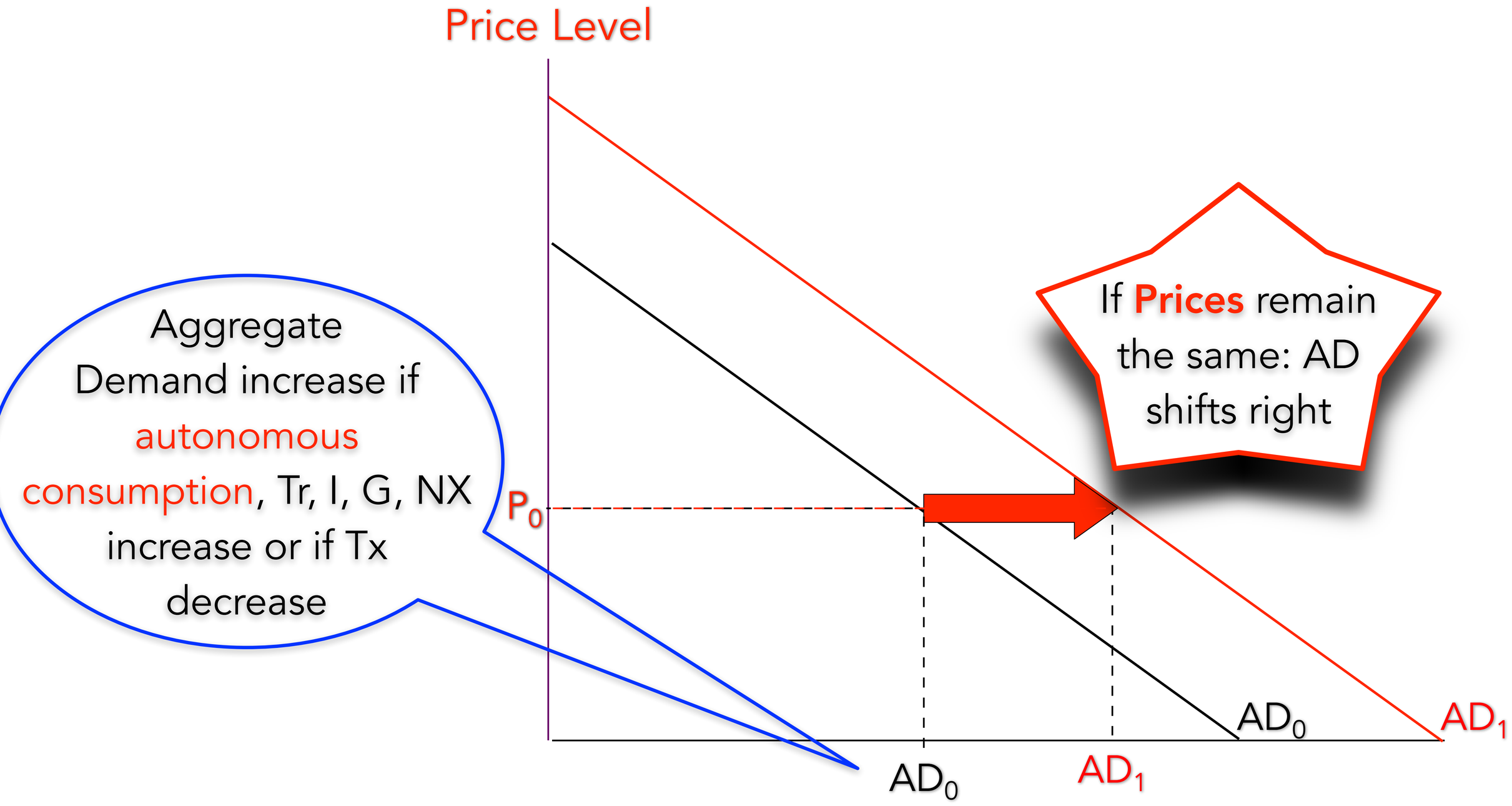


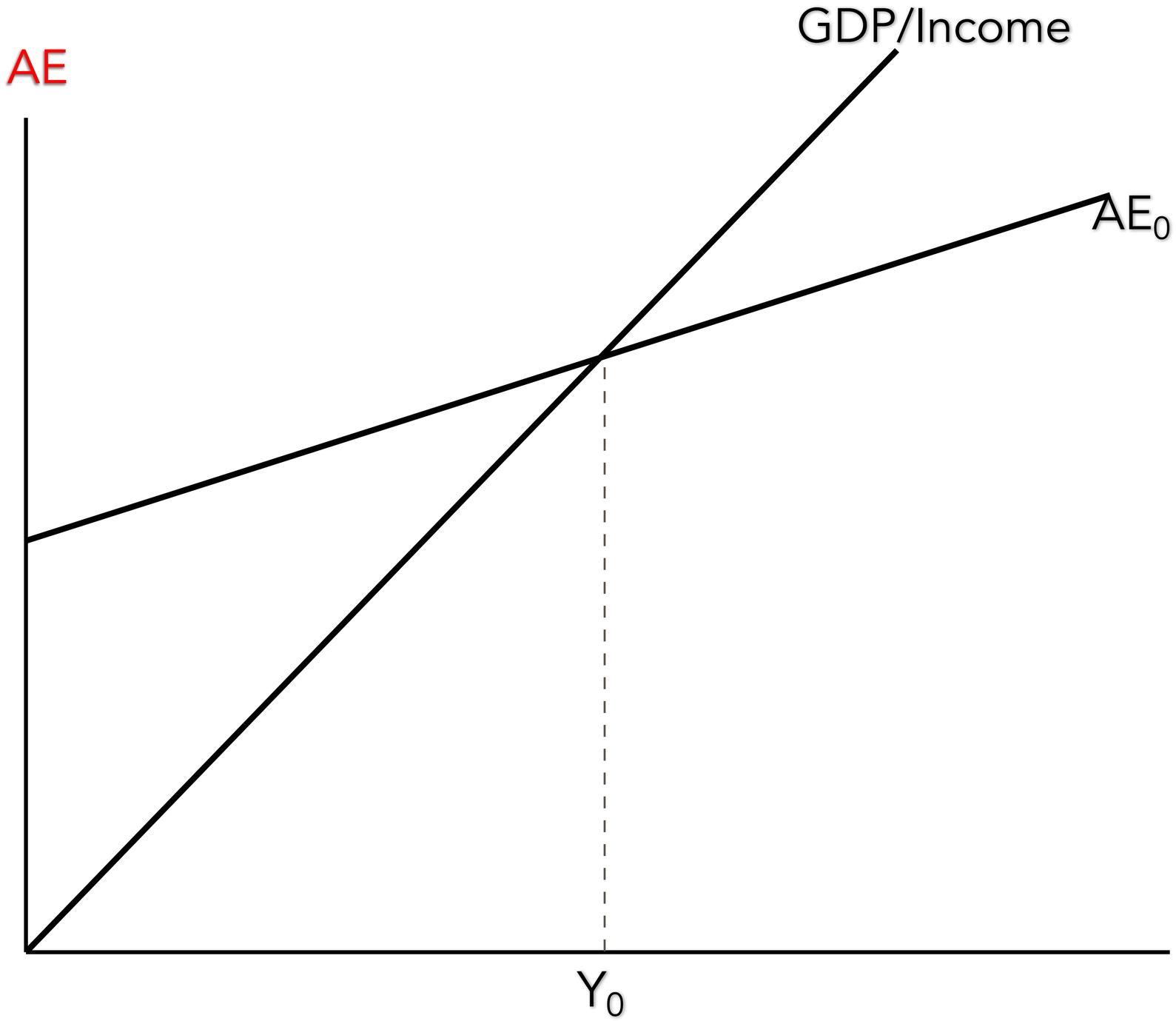
Aggregate Demand increase if autonomous consumption, Tr, I, G, NX increase or if Tx decrease

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

P_0

AD_0


Price Level
Aggregate Demand increase if autonomous consumption, Tr, I, G, NX increase or if Tx decrease
If Prices remain the same: AD shifts right
P0
AD0
AD1
AD0
AD1


GDP/Income
AE
AE_0
Y_0