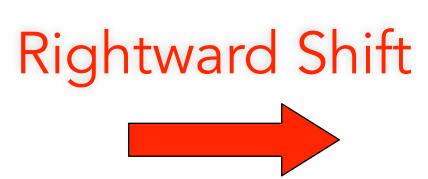
Price Level AD₁ AD₁

Both show an increase in Aggregate Demand

This one is caused by an decrease in Prices

This one is caused by a increase in wealth, consumers becoming optimistic, a rise in Tr, I, G, NX or a decrease in Tx

A movement down along

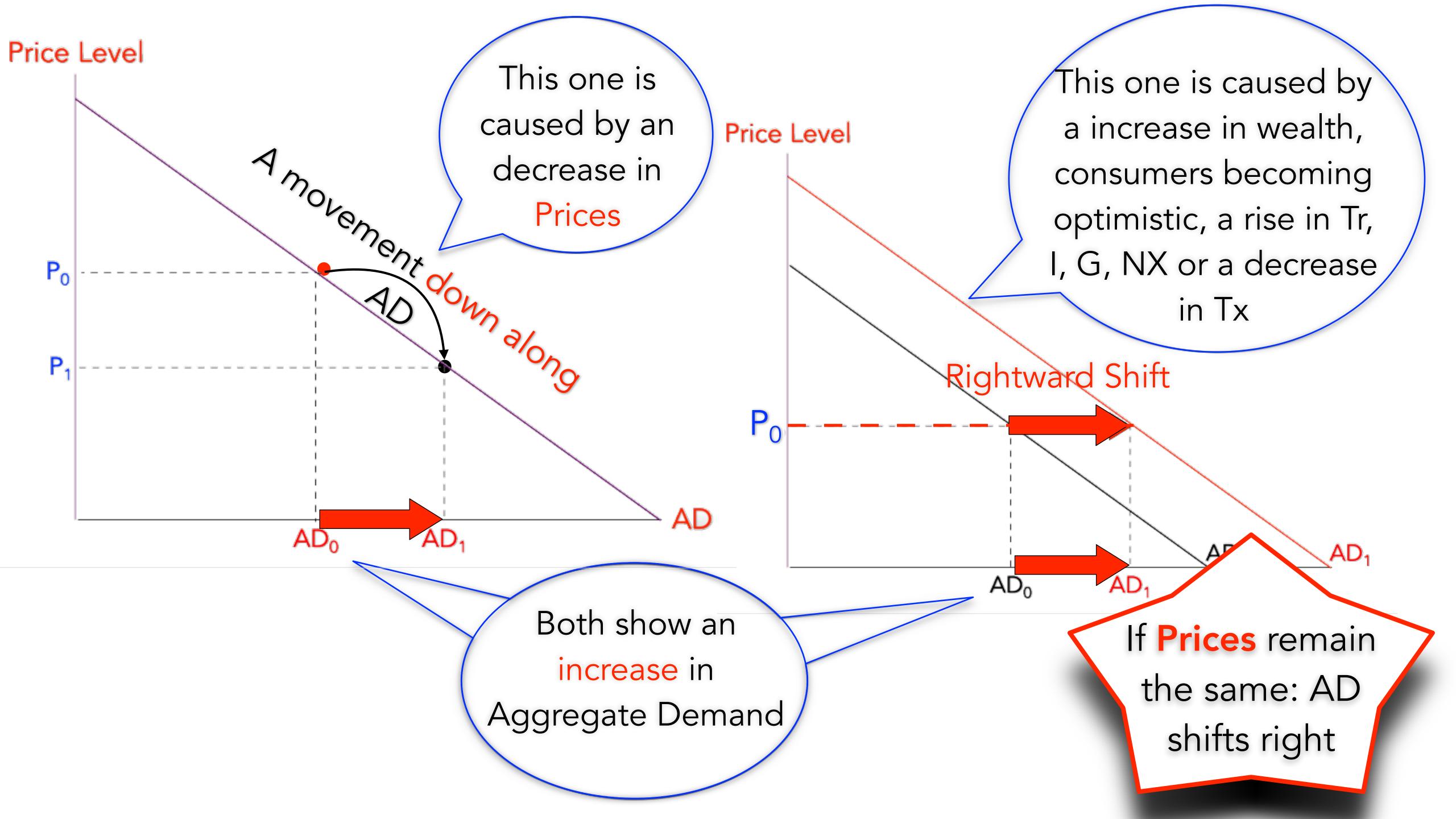


If Prices remain the same: AD shifts right



Price Level P_0 AD_0 AD_1





Aggregate Supply