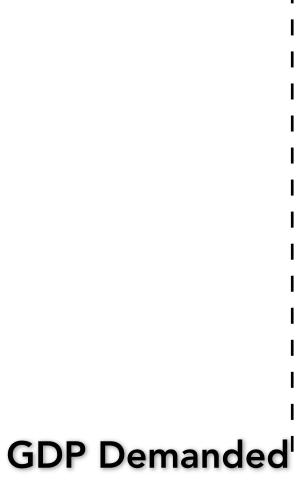


#### Goods and Services Supplied

#### Goods and Services Demanded







## Aggregate Supply – Aggregate Demand

### Pric es



#### At this price level Aggregate Supply >

Aggregate Demand

#### Production AS > **Total Sales AD** Inventories rise

# GDP Supplied







## **Firms** decrease production

and prices

#### As prices drop AD increase

