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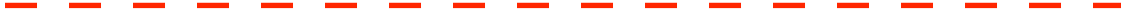
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GDP_o

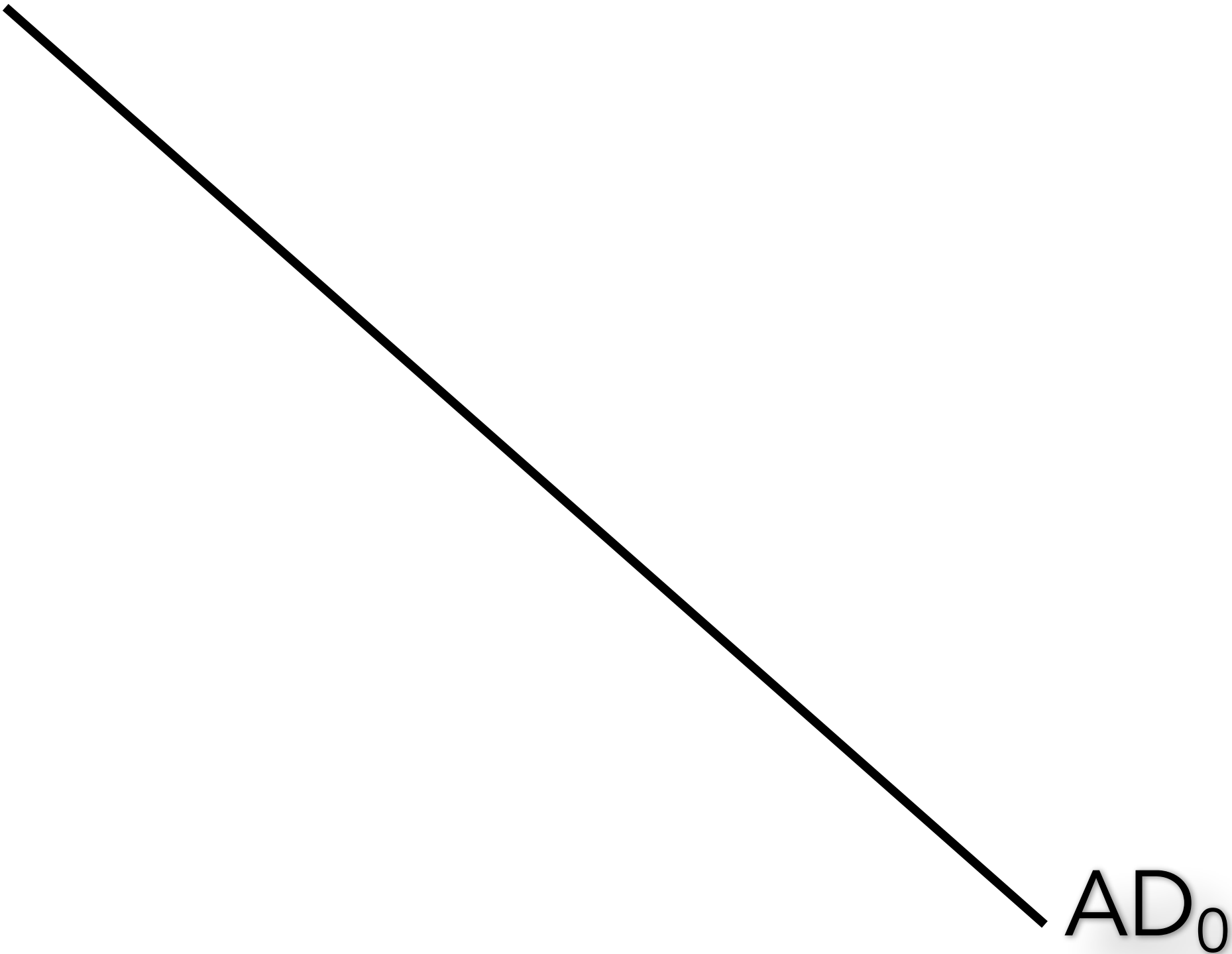
P_1





AS_0

A thick black diagonal line originates from the bottom-left corner of the image and extends towards the top-right, terminating near the label AS_0 . The line is straight and has a consistent thickness.





increase in
Supply



AS₁





GDP₁

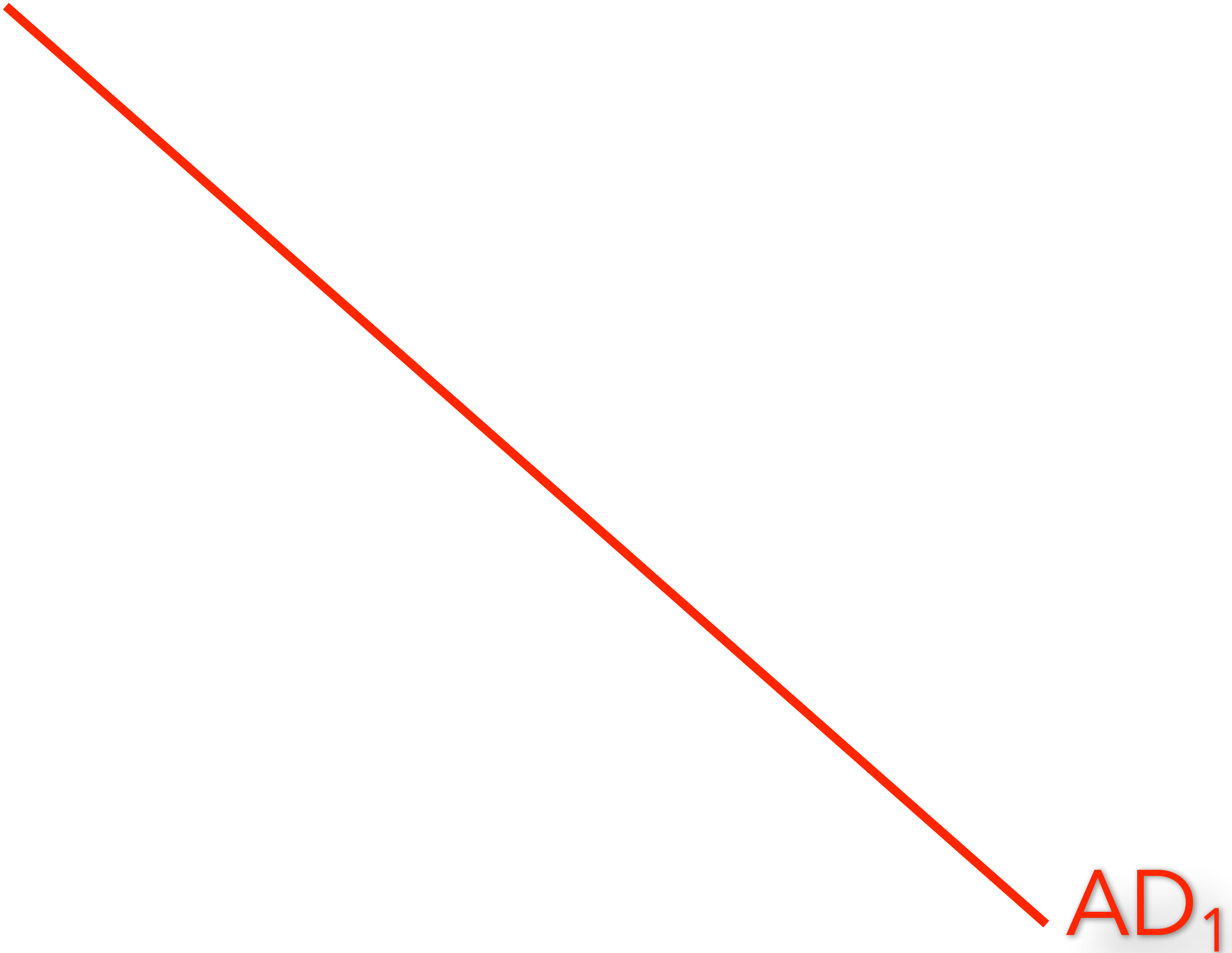
Price Level
(CPI)



The Effect of an Increase in **both** Supply and Demand

Increase in
Demand





Larger

Smaller

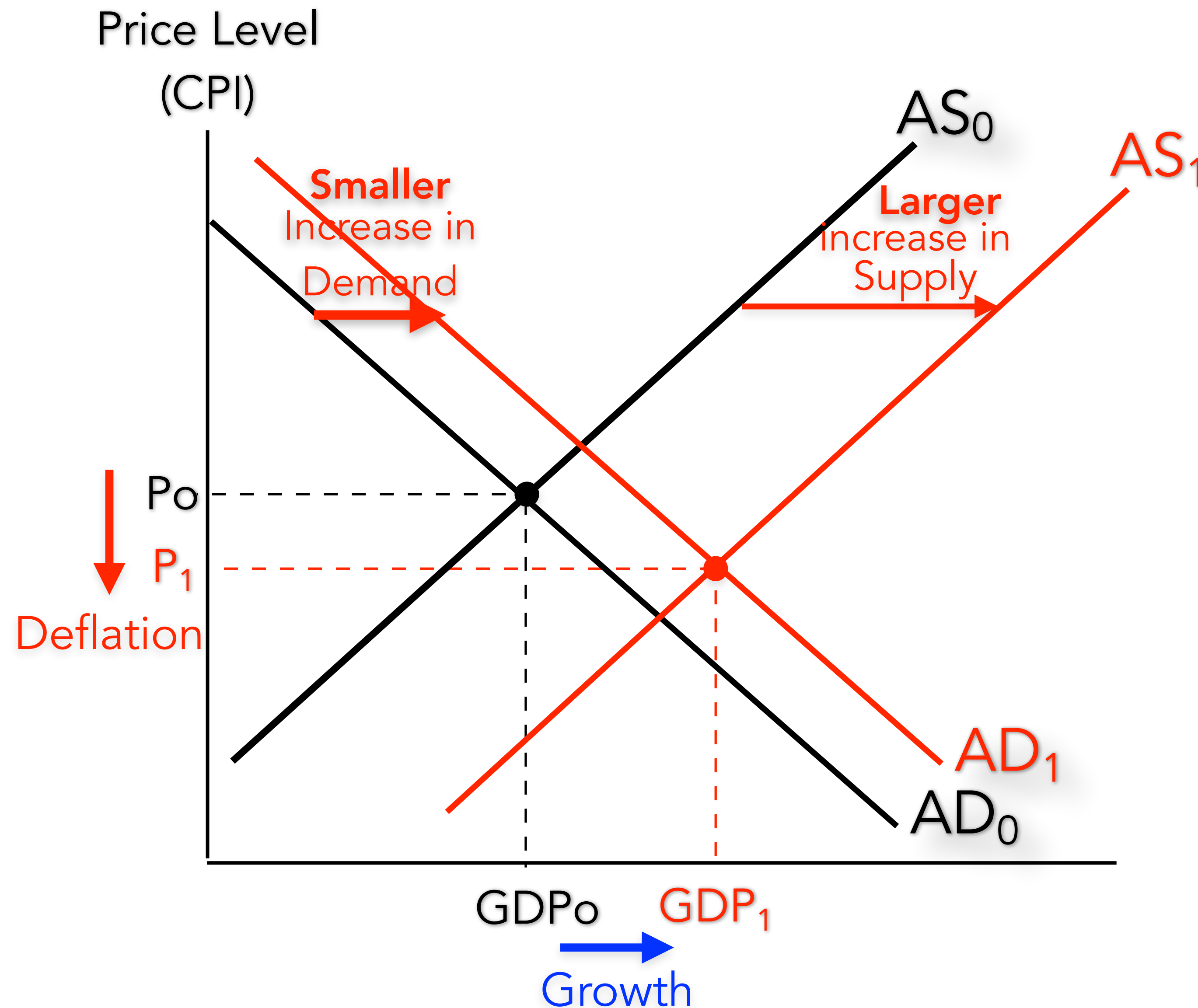


Growth



Deflation

The Effect of an Increase in **both** Supply and Demand



The Effect of an Increase in **both** Supply and Demand

