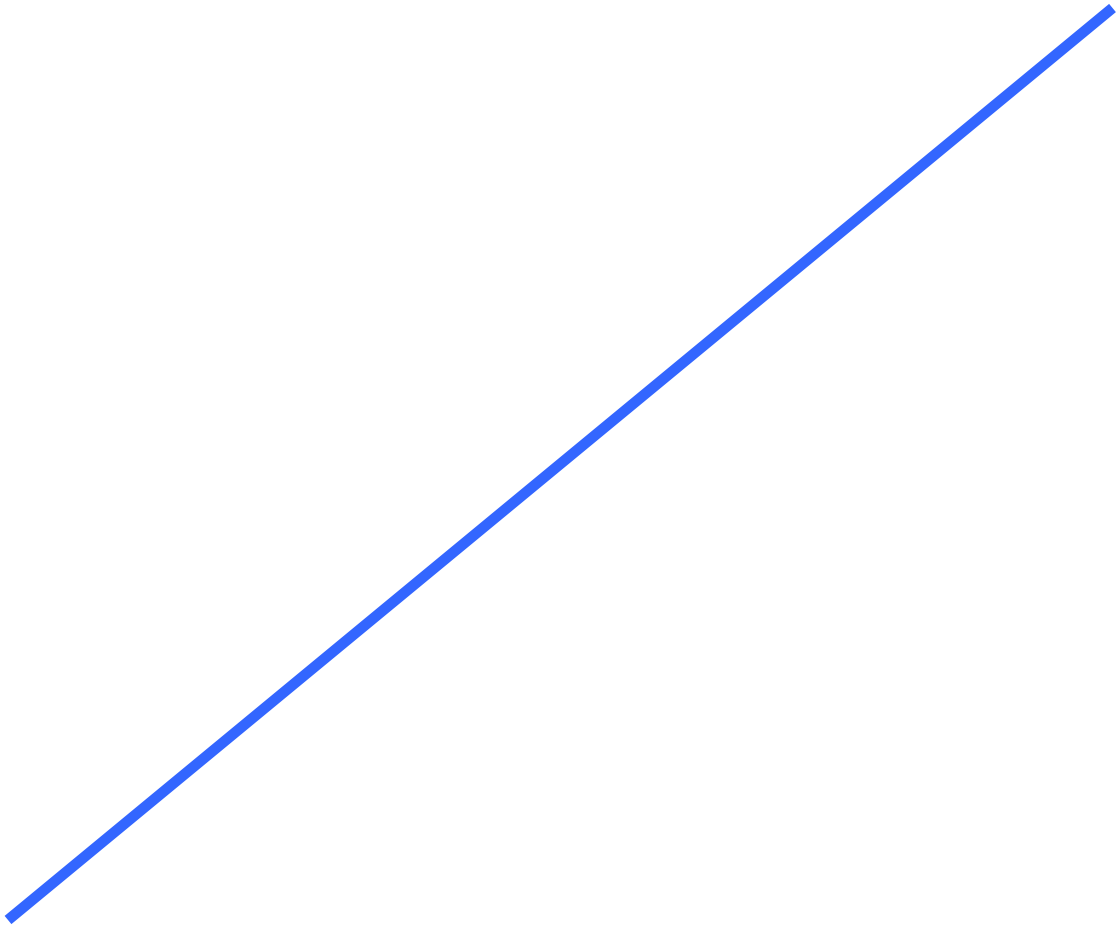


Factors that shift Aggregate Supply

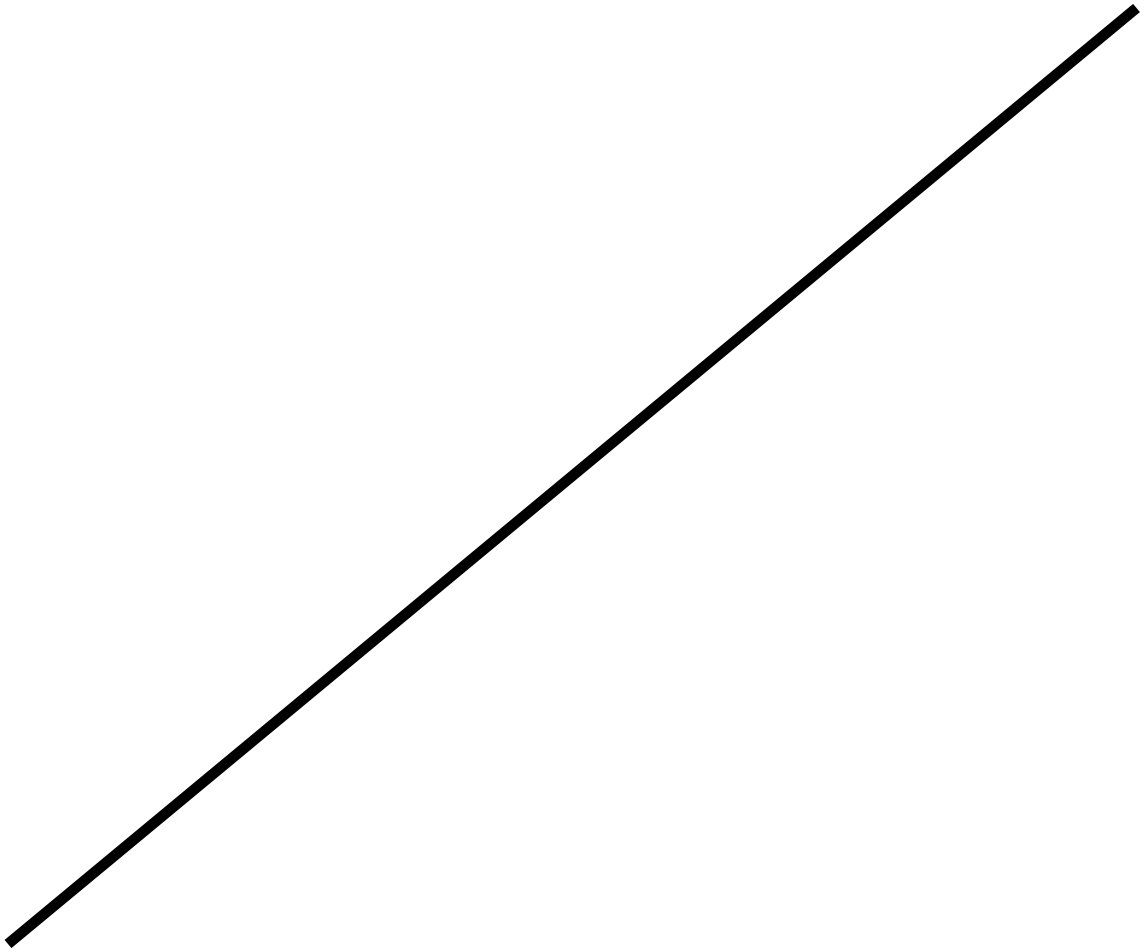






Real GDP Supplied

SRAS₁





PO

ASO



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Price

- Lower Cost of Production: Lower Prices of inputs necessary to produce (labor, gasoline, raw materials, etc.,.)

- Size and quality of the Labor Force (a larger, better educated work force, allow firms to produce more)

- Size and quality of **Stock of Capital** (with better technology and more capital, firms can produce more)



AS₁

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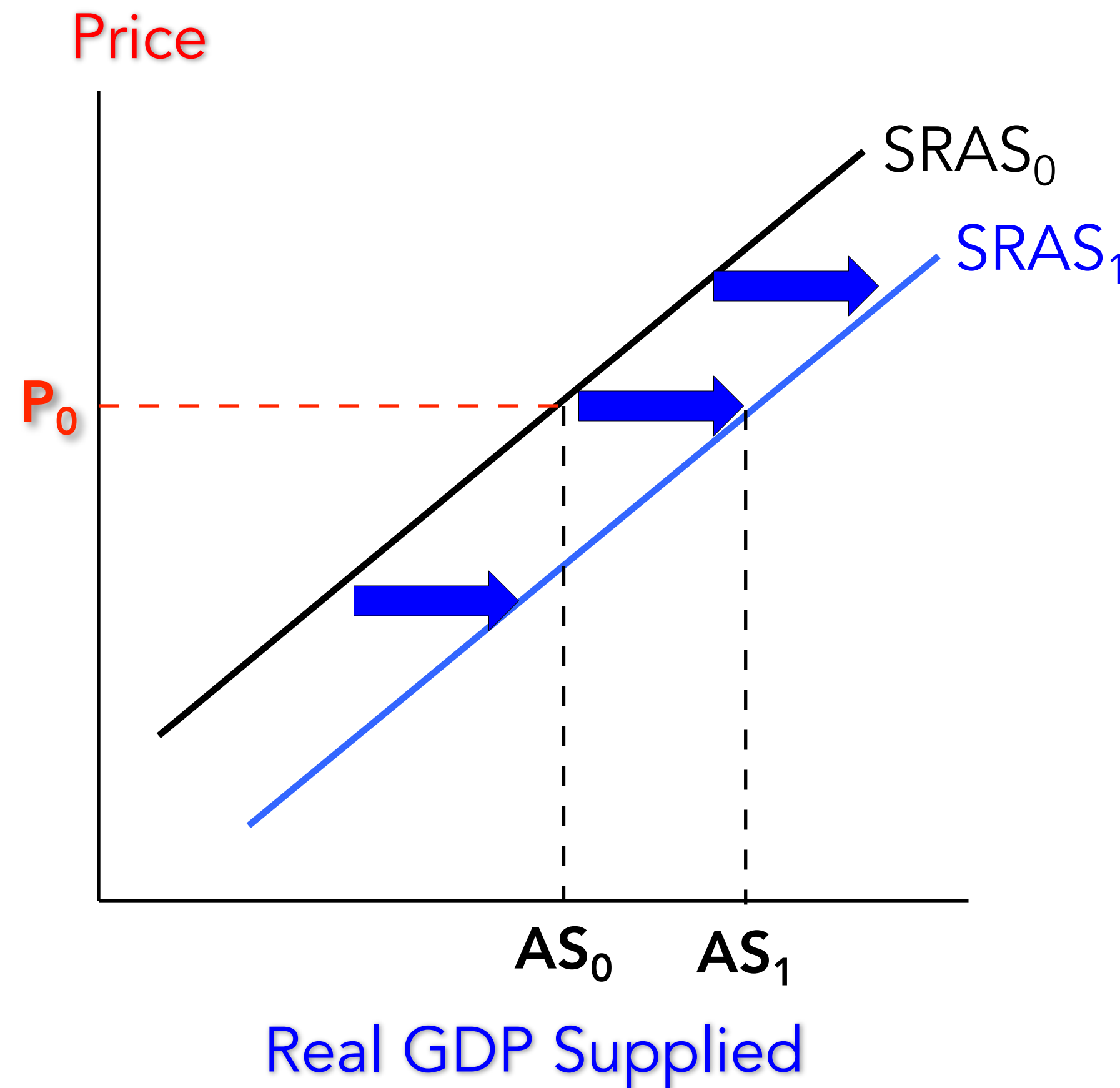
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Determinants of Aggregate Supply