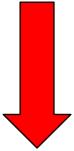


Nominal Wealth Real Wealth = Price Index

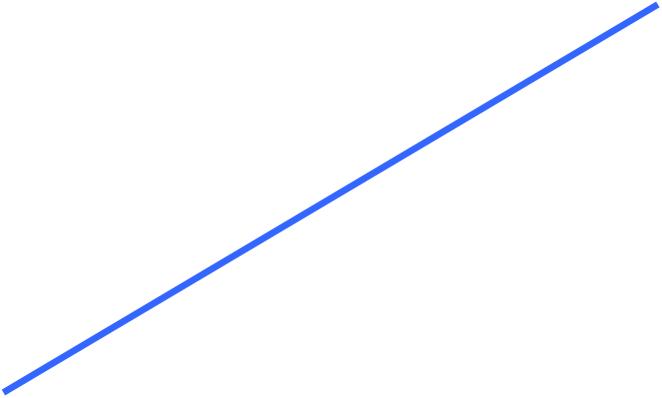


1. An increase in prices, decrease the real value of Wealth

From Aggregate Expenditures to Aggregate Demand

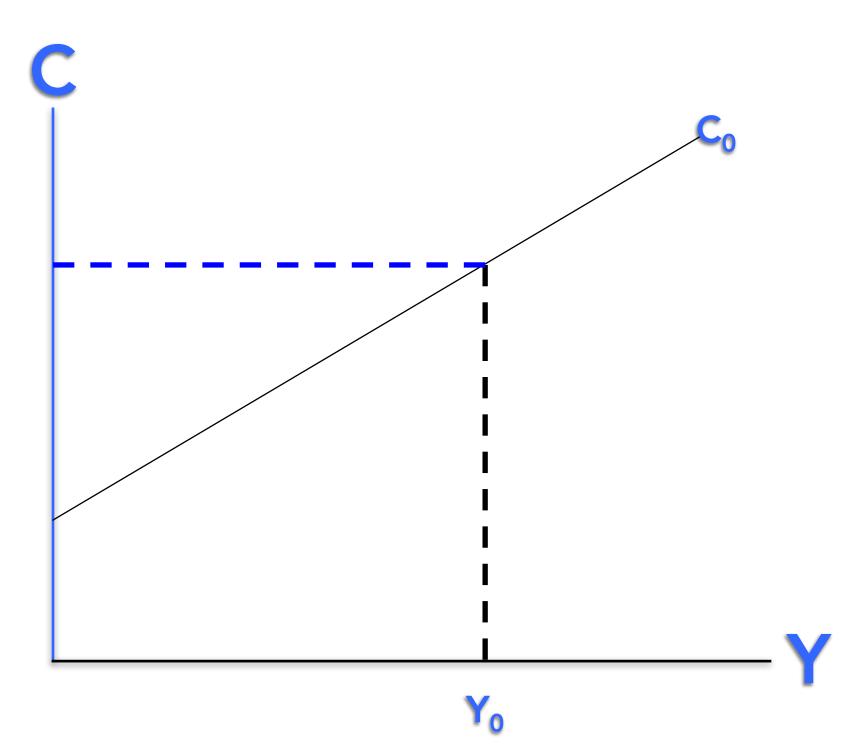
Two things to remember:











2. A decrease in Real value of Wealth, decrease Autonomous Consumption

An increase in Prices, shift the consumption line down

From Aggregate Expenditures to Aggregate Demand

Two things to remember:

1. An increase in prices, decrease the real value of Wealth

2. A decrease in Real value of Wealth, decrease Autonomous Consumption

An increase in Prices, shift the consumption line down

