

Price Level

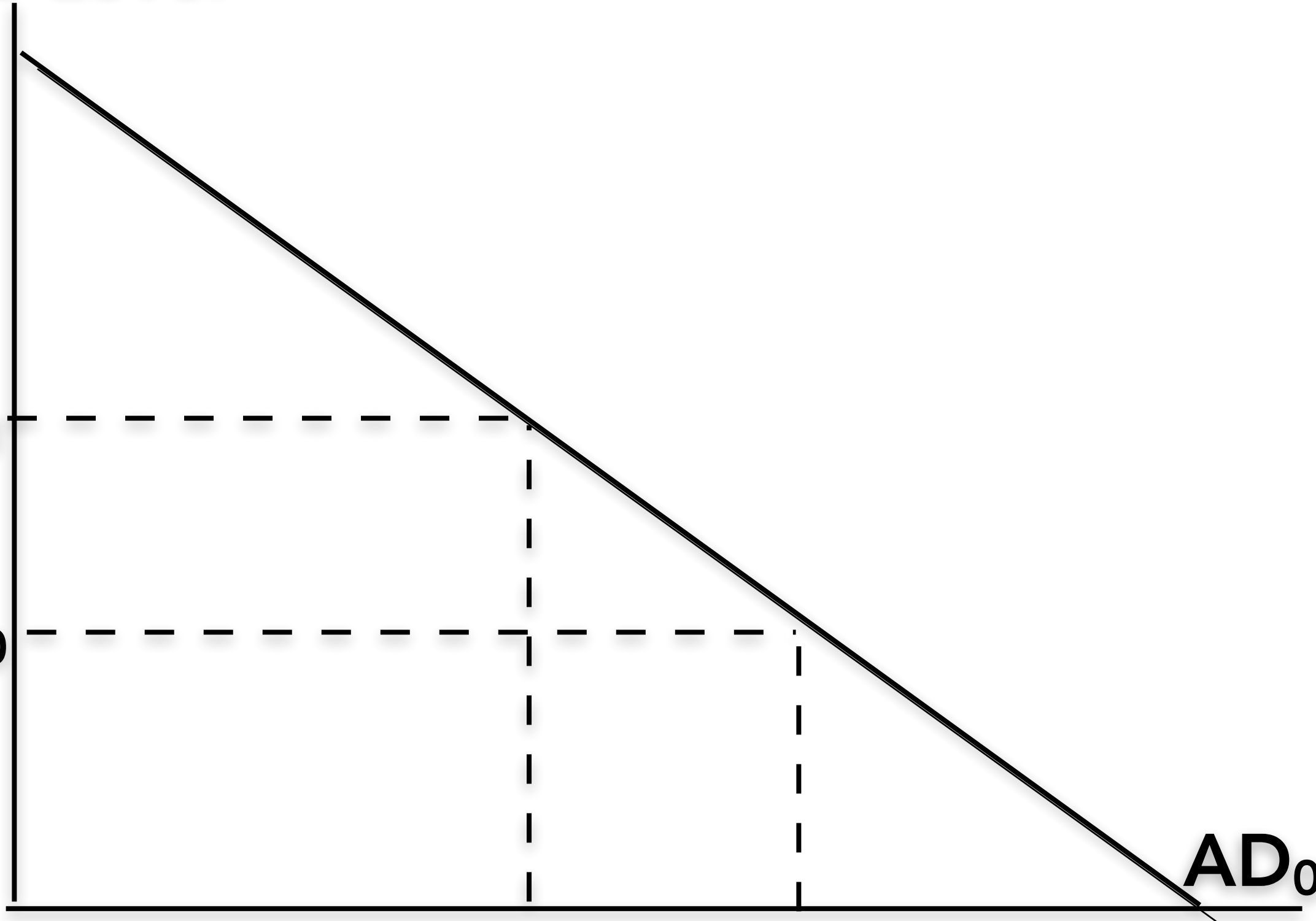
P_1

P_0

AD_1

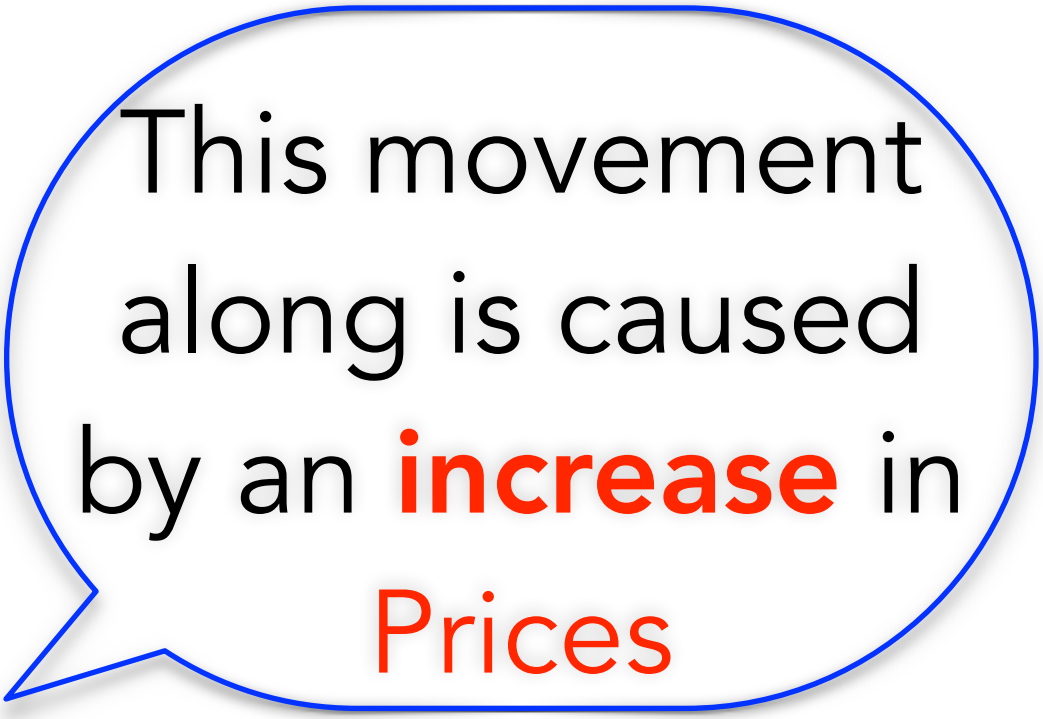
AD_0

AD_0

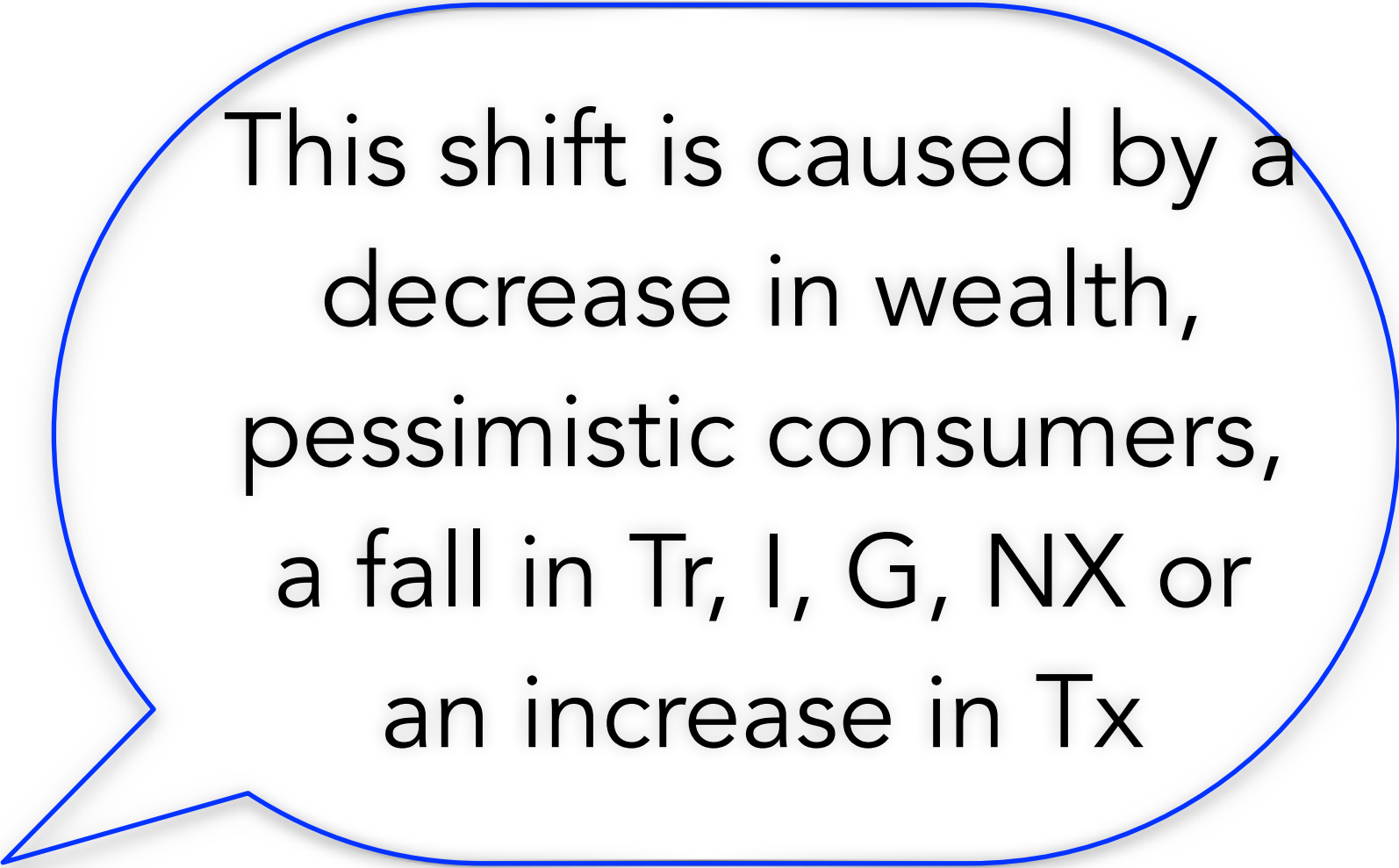




Both show an
decrease in
Aggregate Demand



This movement
along is caused
by an **increase** in
Prices

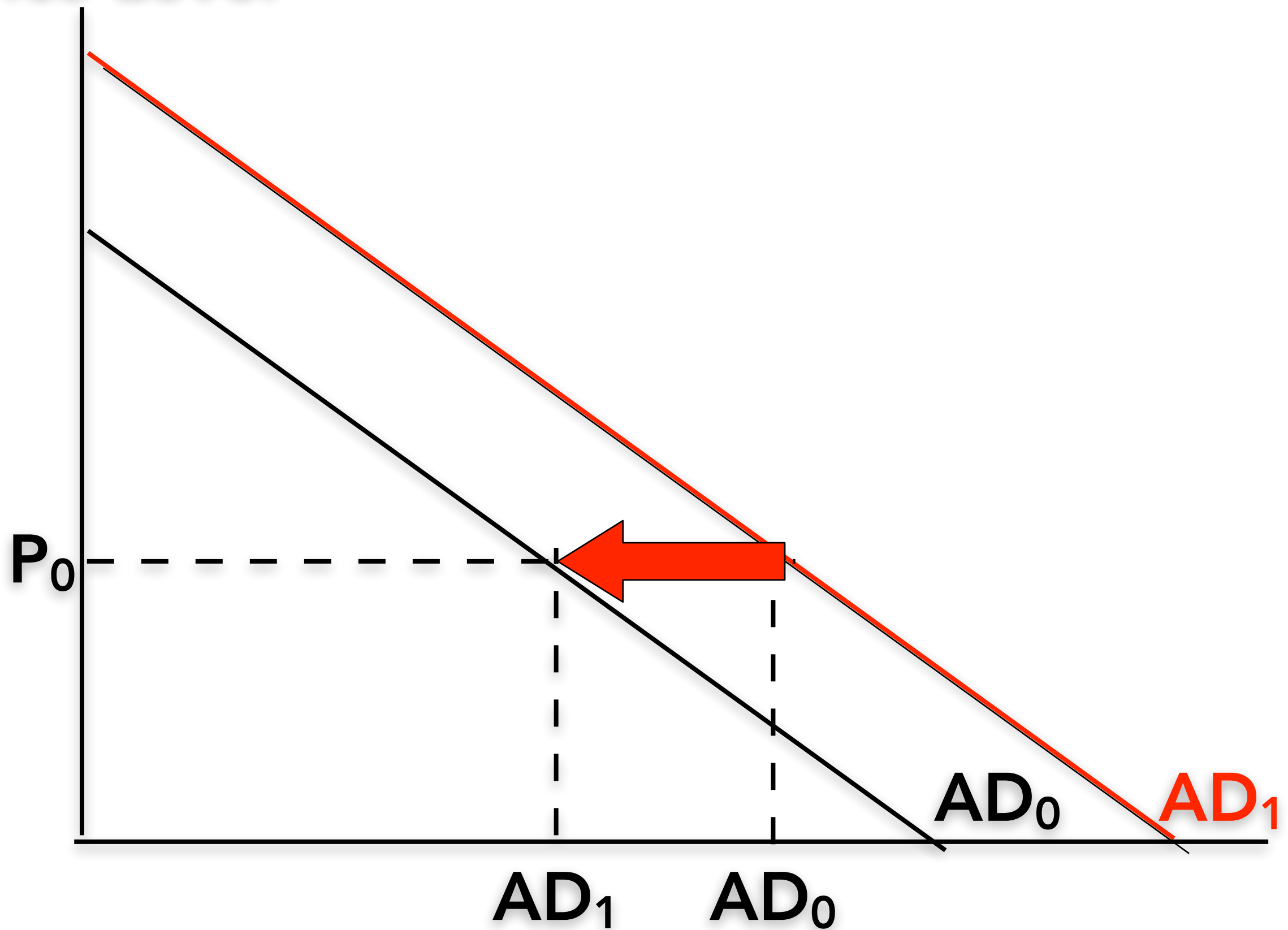


This shift is caused by a
decrease in wealth,
pessimistic consumers,
a fall in T_r , I , G , NX or
an increase in T_x



If **Prices** remain
the same: AD
shifts left

Price Level



P₀

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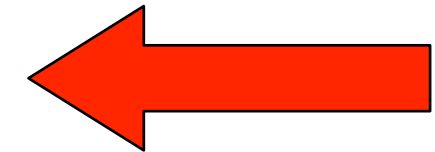
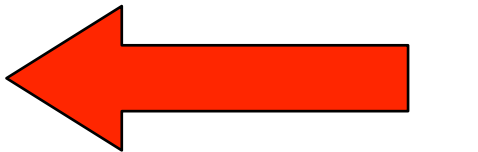
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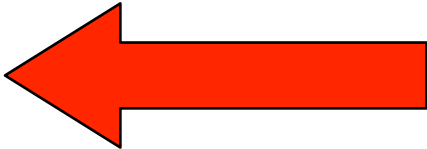
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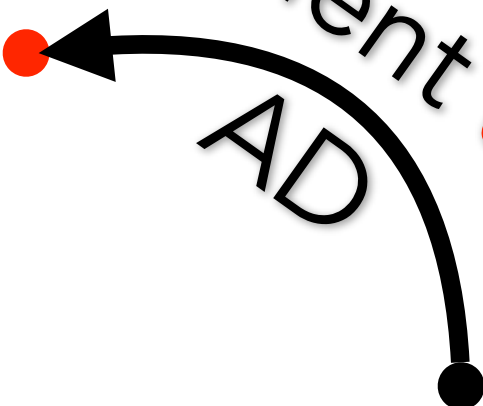
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Leftward Shift

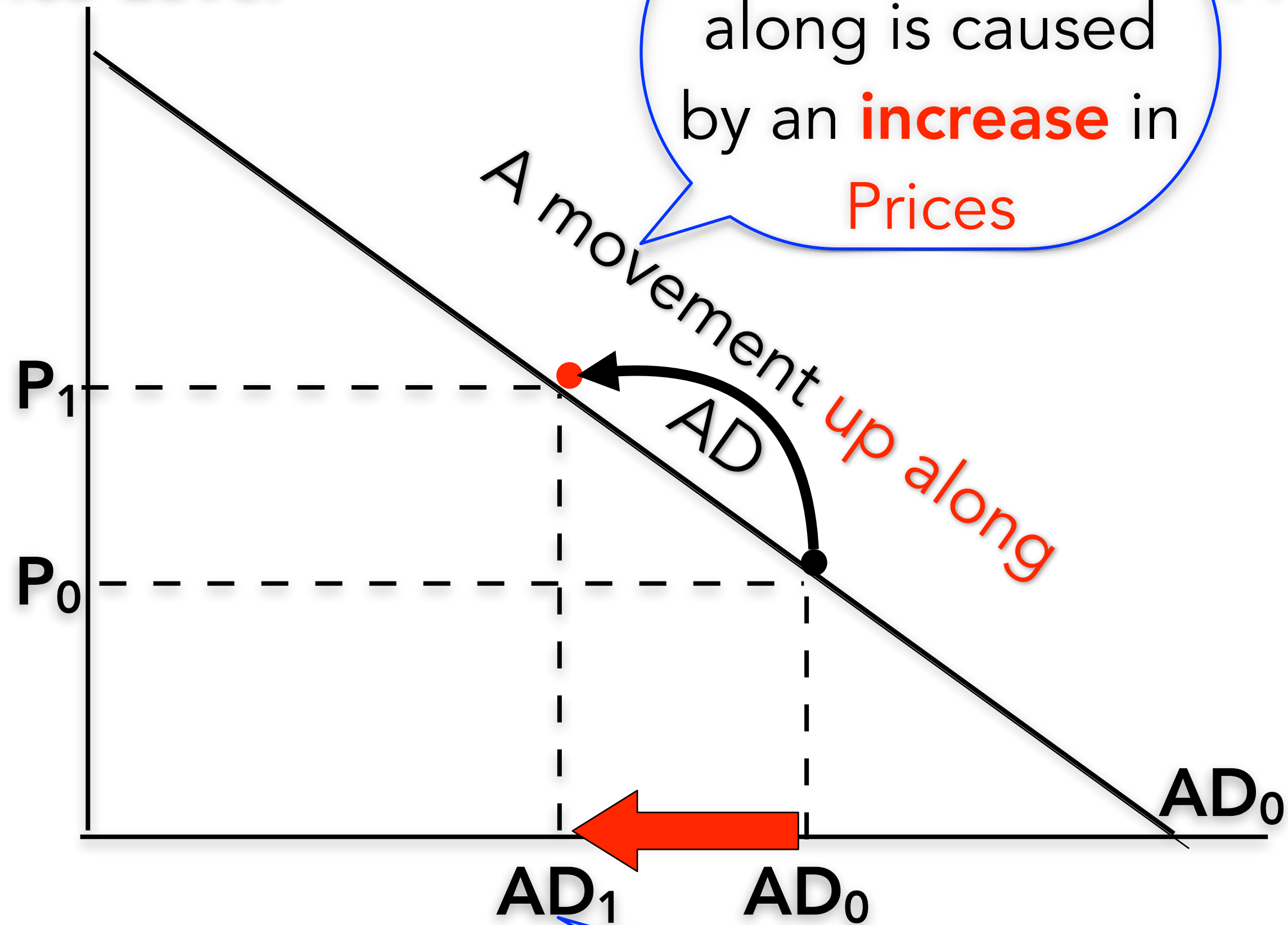


A movement *up along* AD

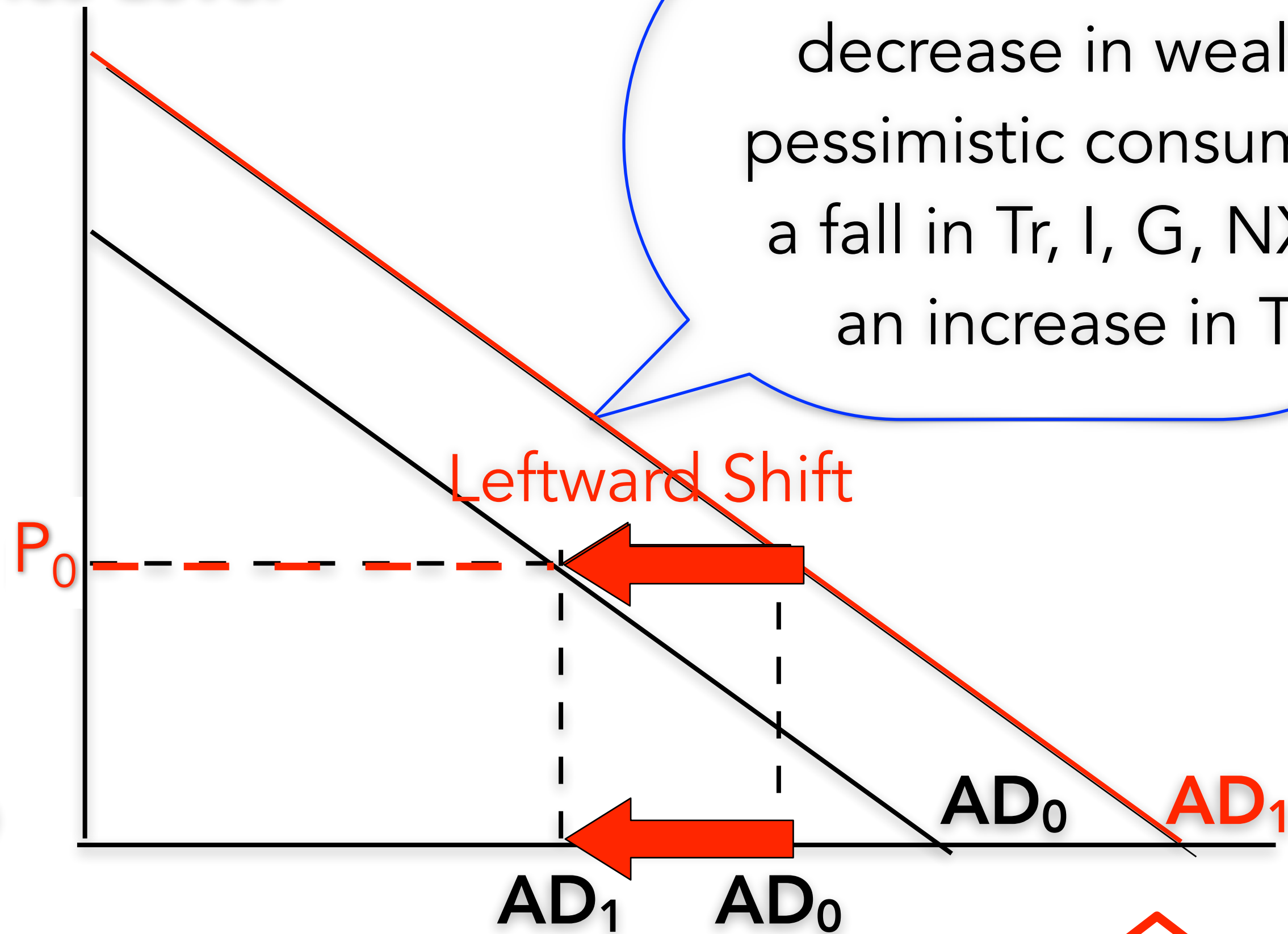


The diagram illustrates a movement along the Aggregate Demand (AD) curve. It features a curved black arrow pointing upwards and to the left. The arrow starts at a black dot at the bottom right and ends at a red dot at the top left. The text 'A movement up along' is written in black, with 'up along' in red and italicized, followed by 'AD' in black.

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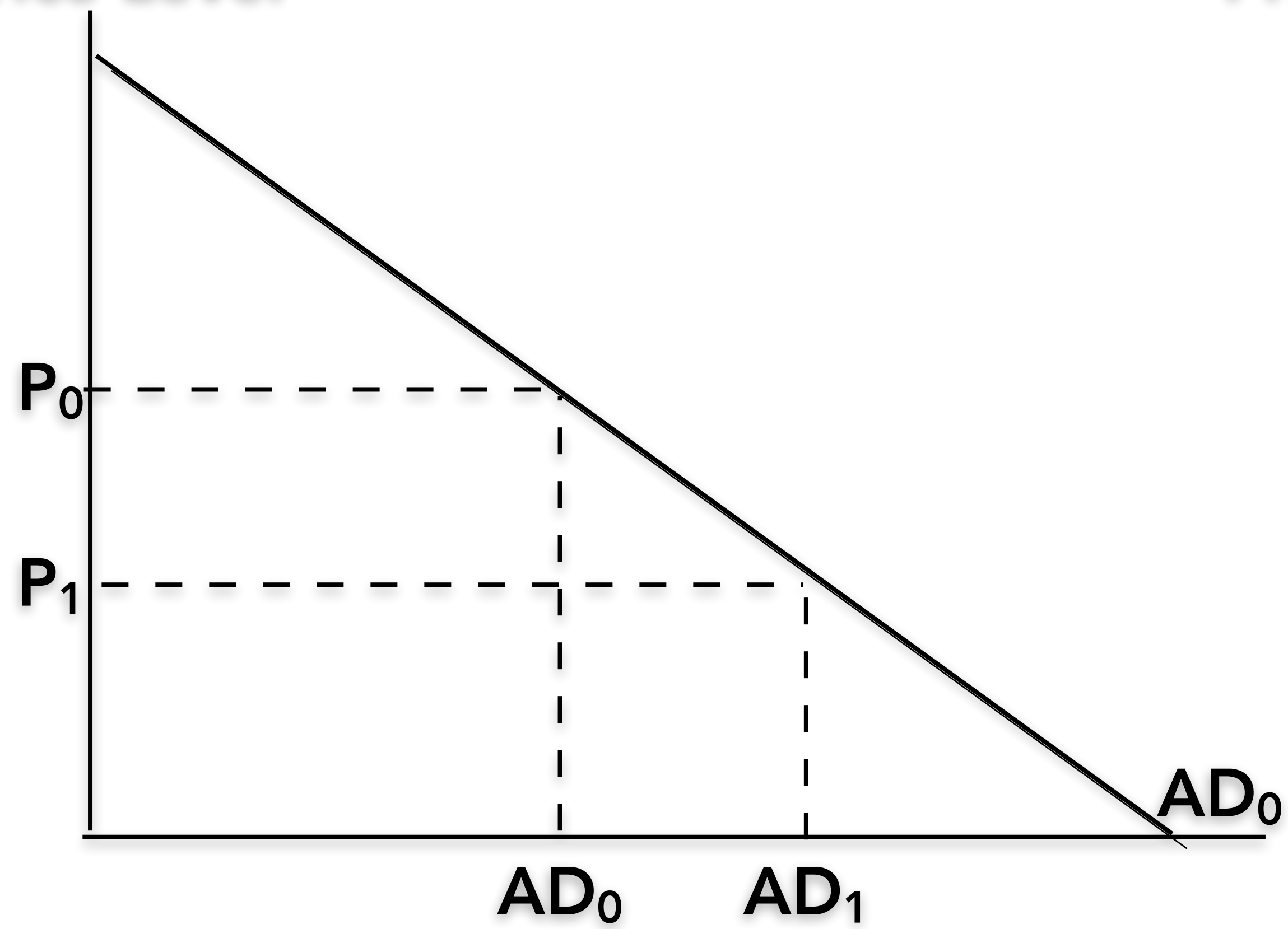
Price Level



Both show an **decrease** in Aggregate Demand

If **Prices** remain the same: AD shifts left

Price Level



Price Level

