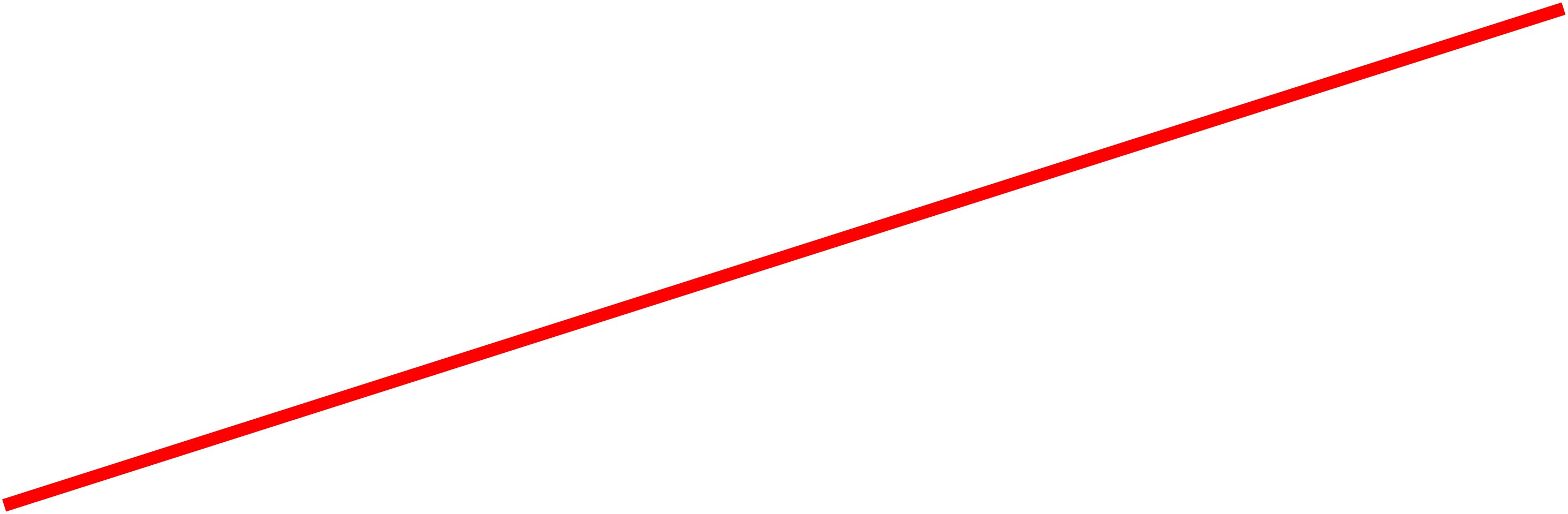


A

E



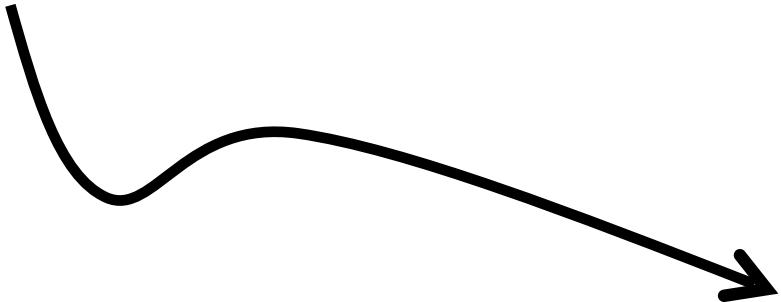


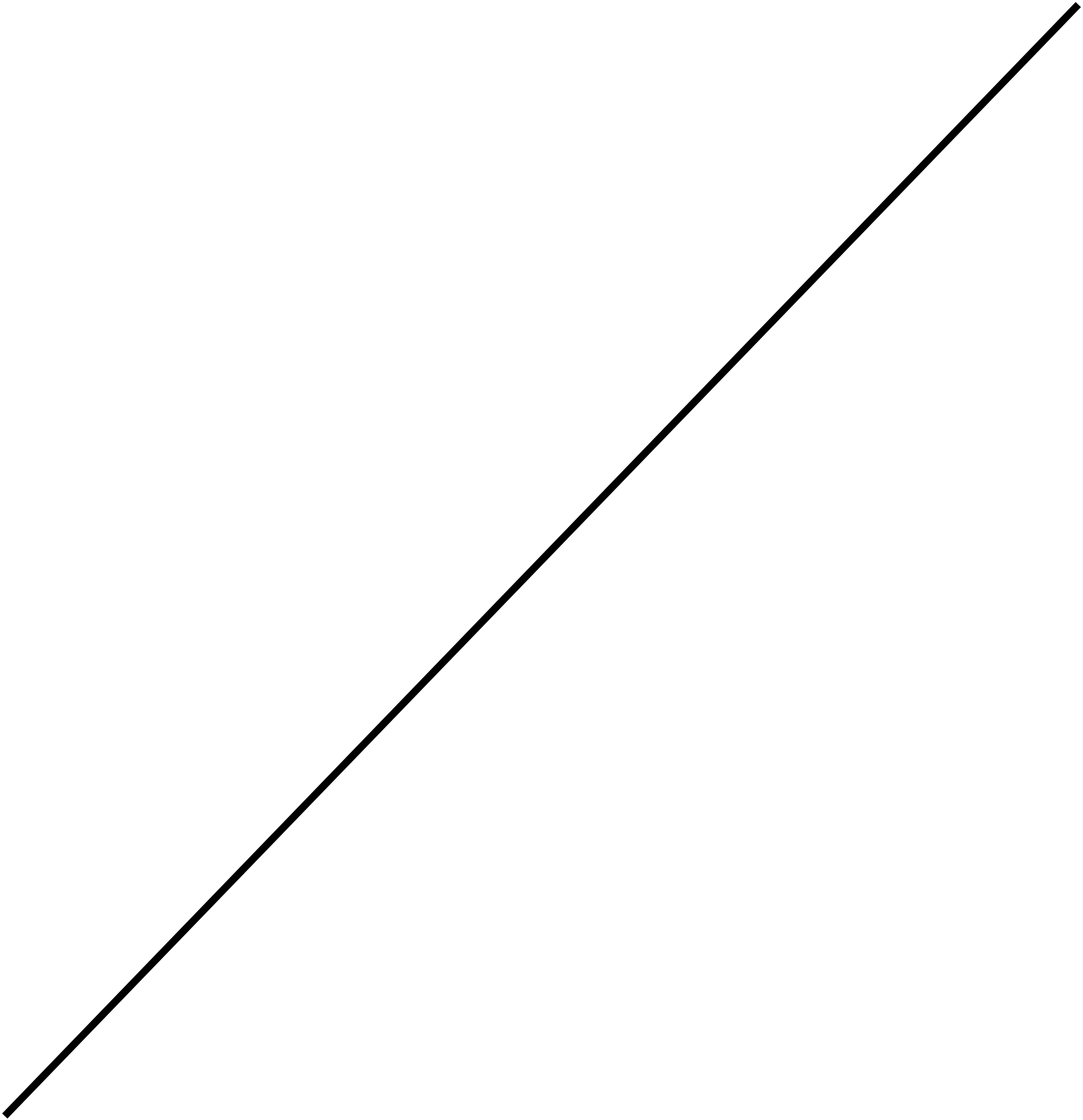


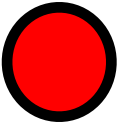


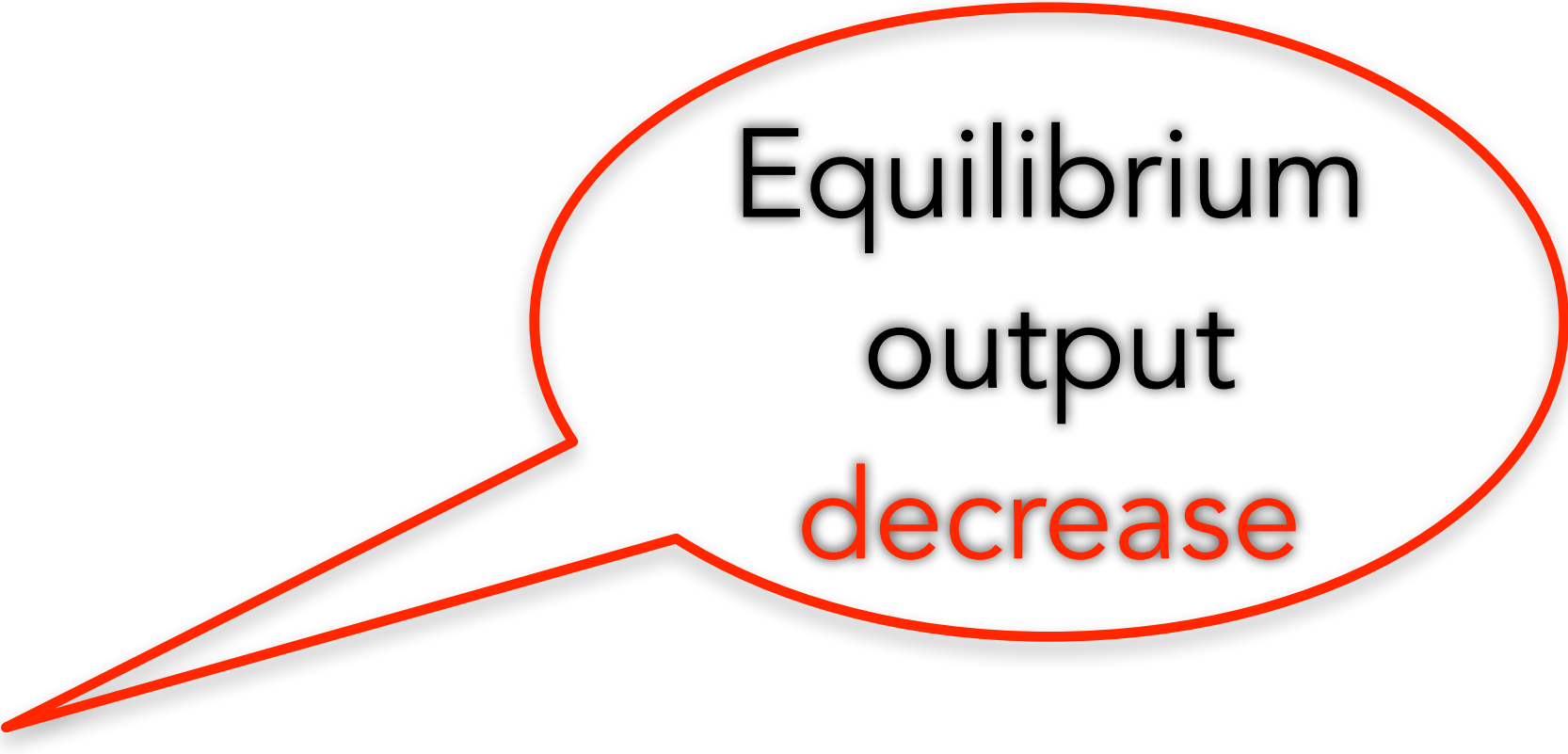
Lower Y^*

Equilibrium





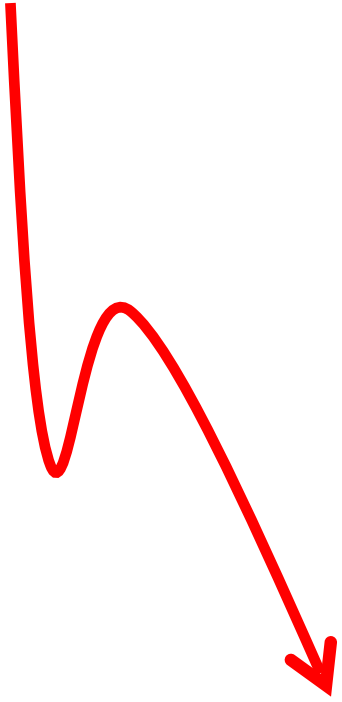




Equilibrium
output
decrease







AE O

GDP/Income





Total

Production

Total
Purchases



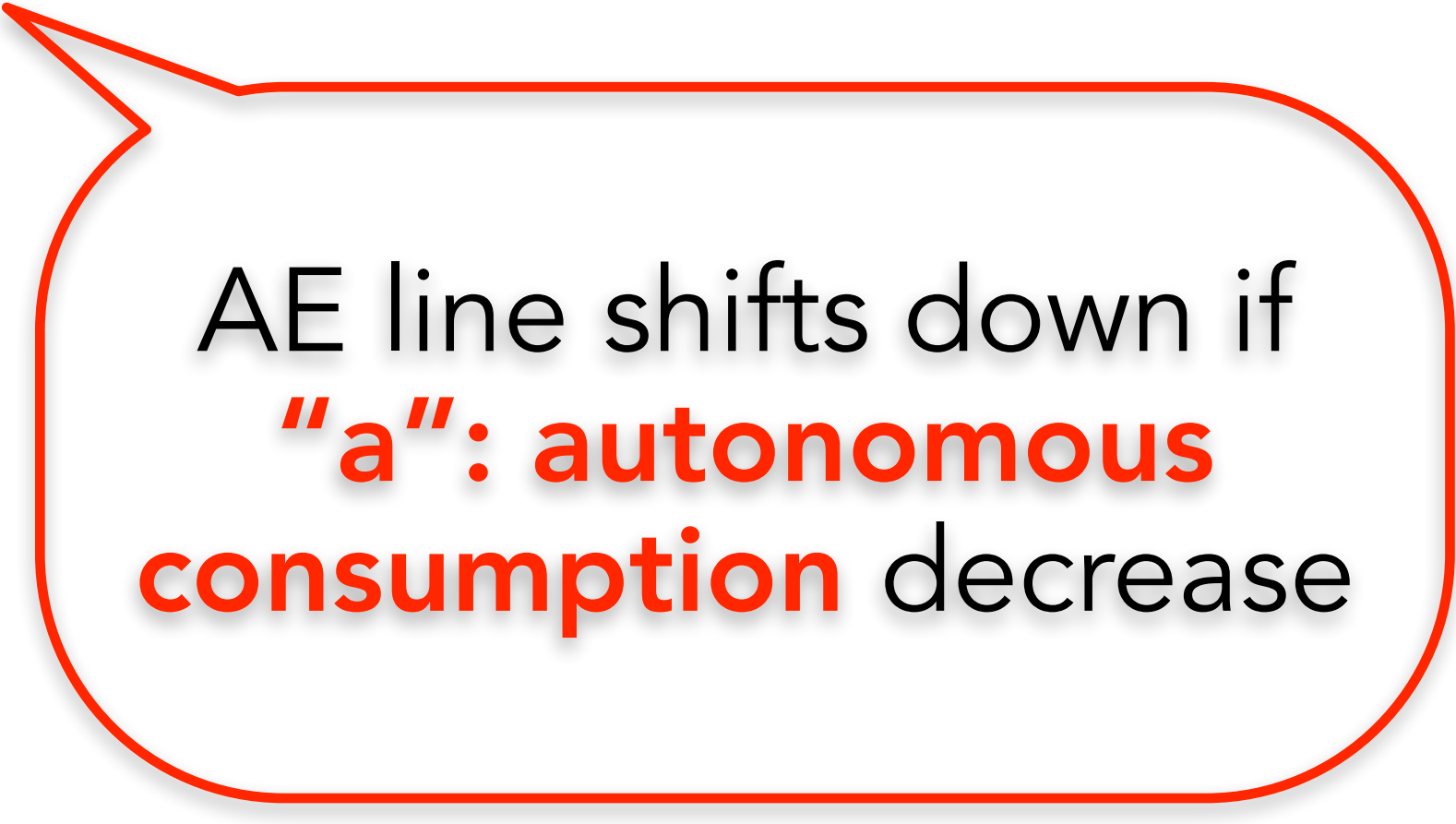
Inventories
rise

AE₁

Y

O

*



AE line shifts down if
"a": **autonomous
consumption** decrease

New Equilibrium

A large red arrow pointing to the left, containing white text.

Firms decrease
output and
employment

