

Price Level

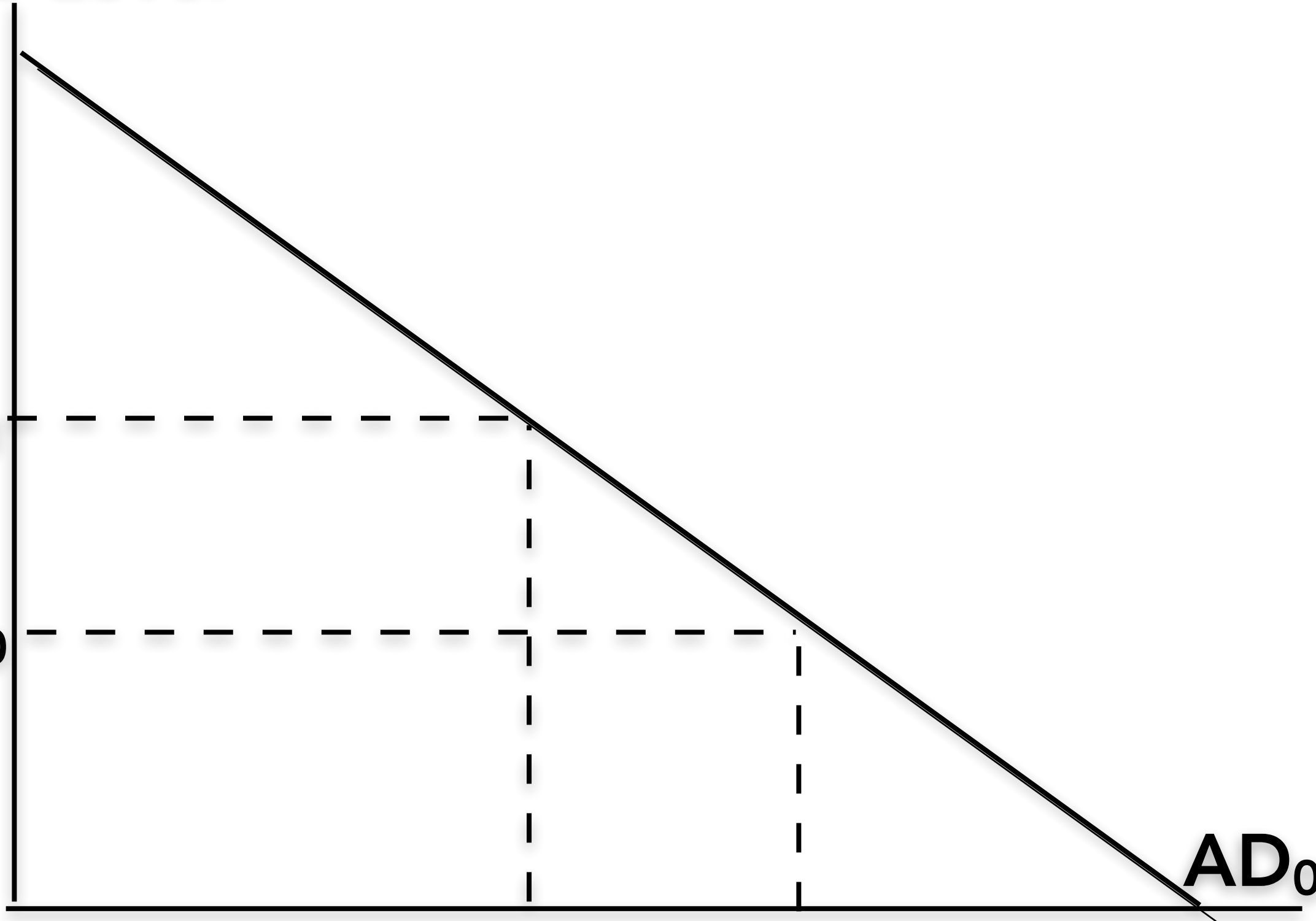
P_1

P_0

AD_1

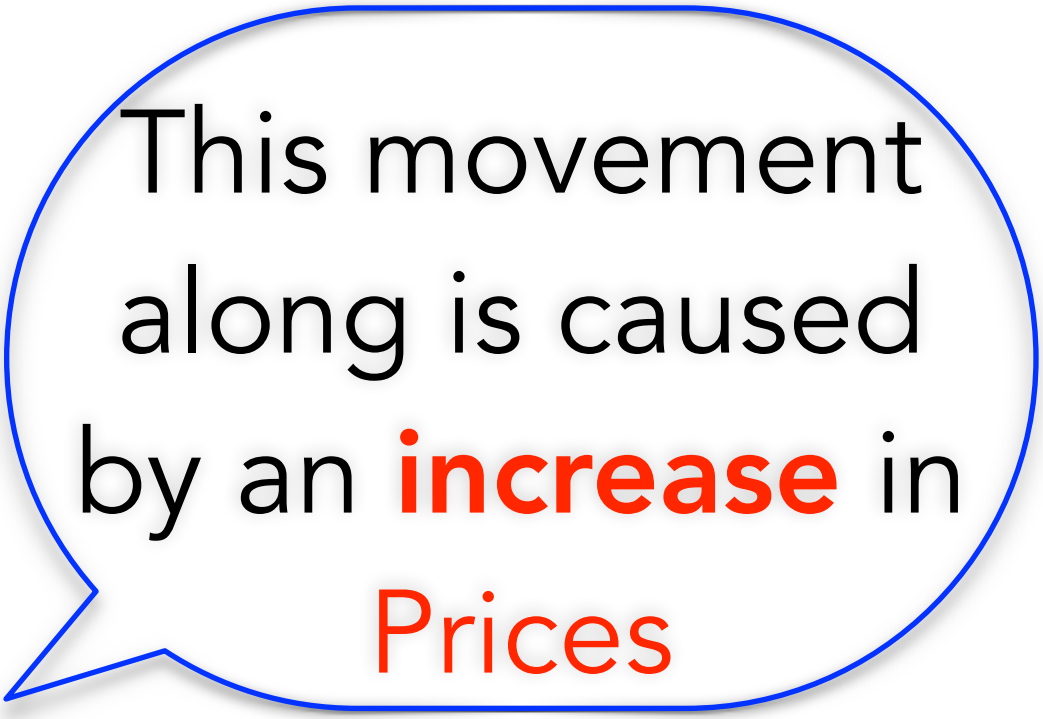
AD_0

AD_0

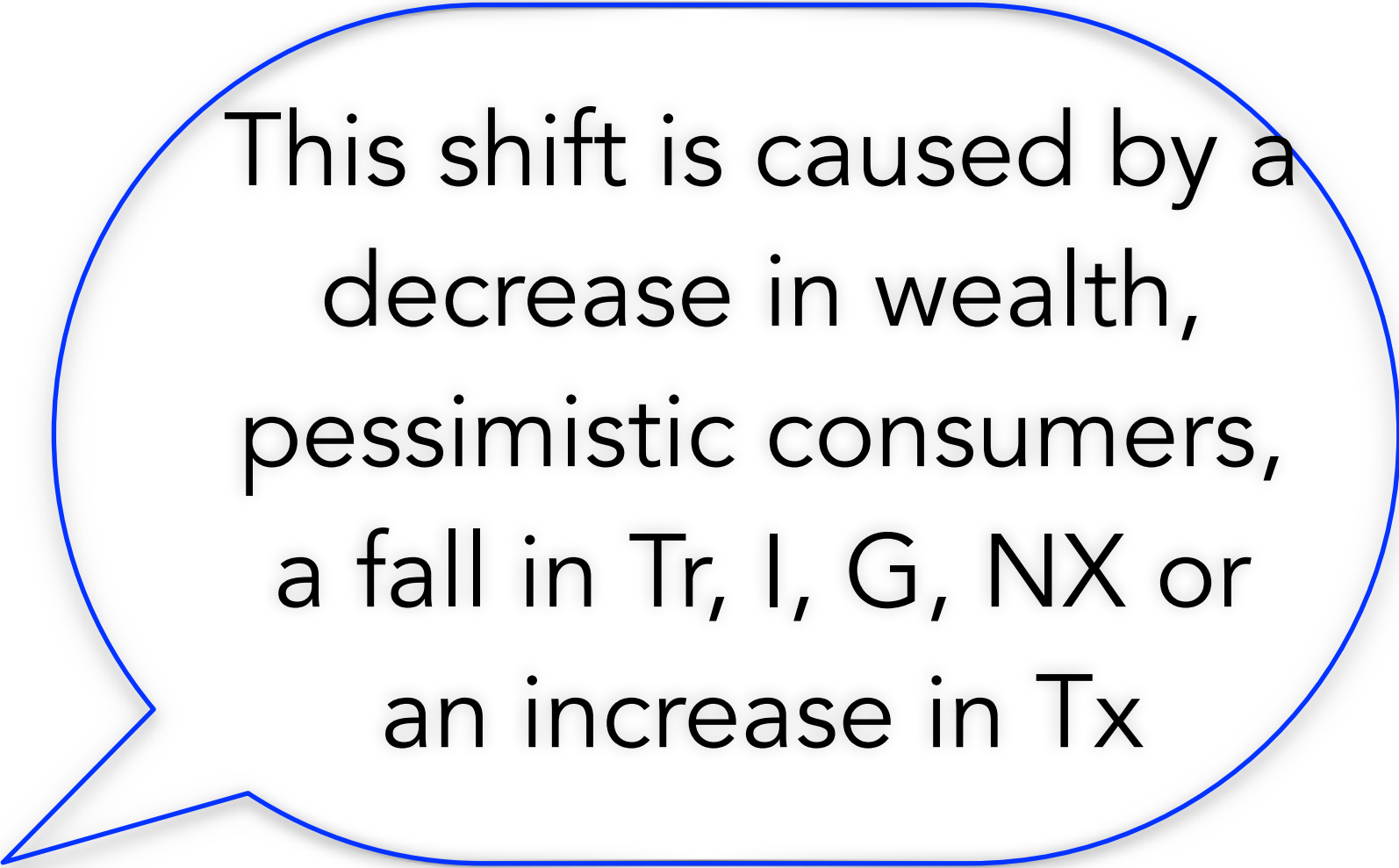




Both show an
decrease in
Aggregate Demand



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

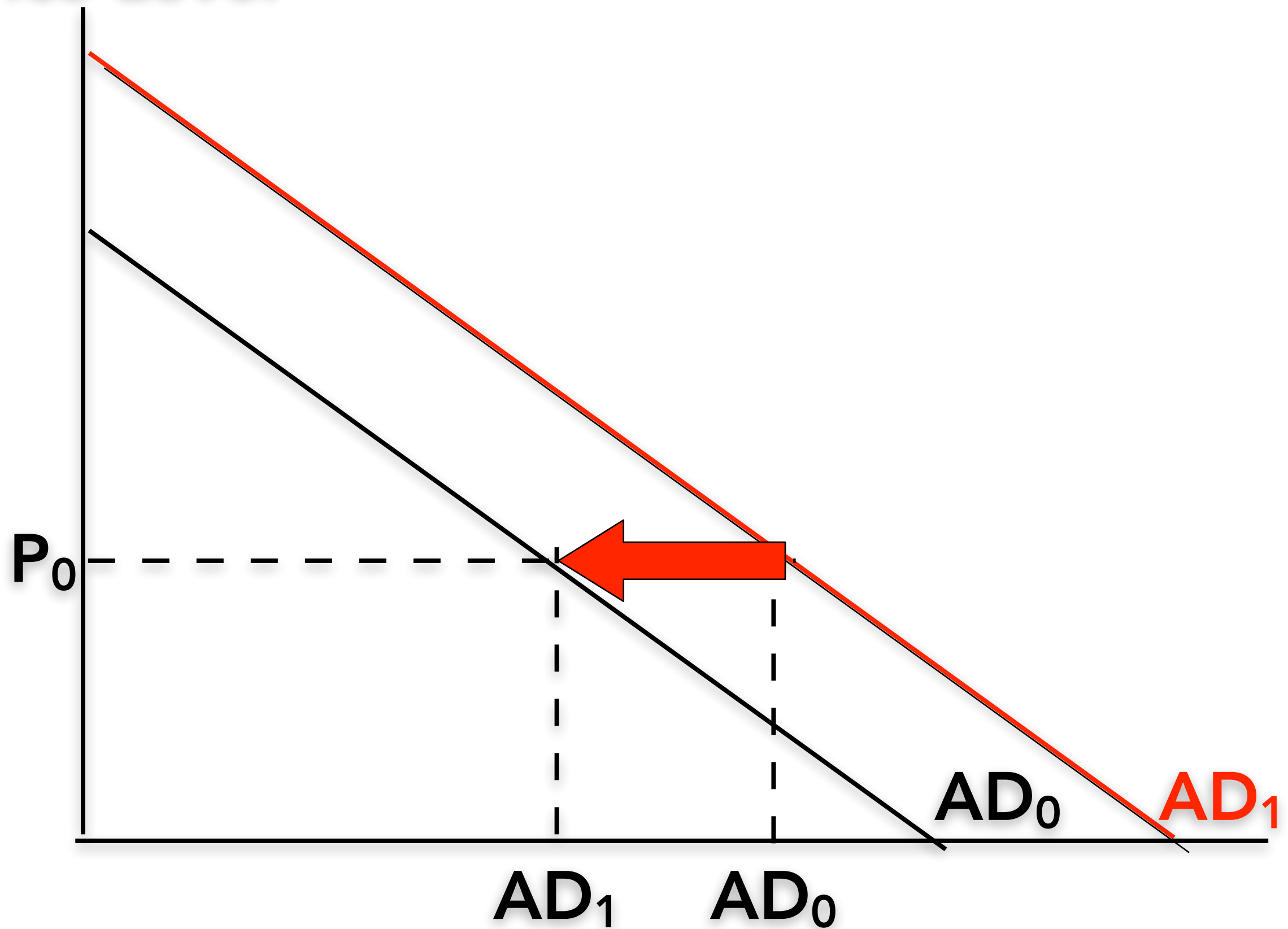


This shift is caused by a
decrease in wealth,
pessimistic consumers,
a fall in T_r , I , G , NX or
an increase in T_x



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

Price Level



P₀

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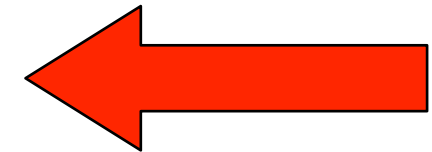
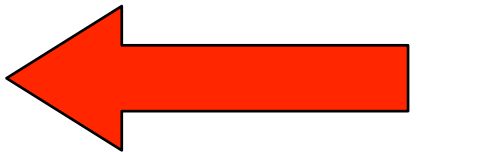
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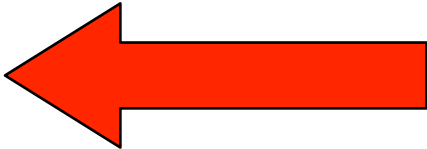
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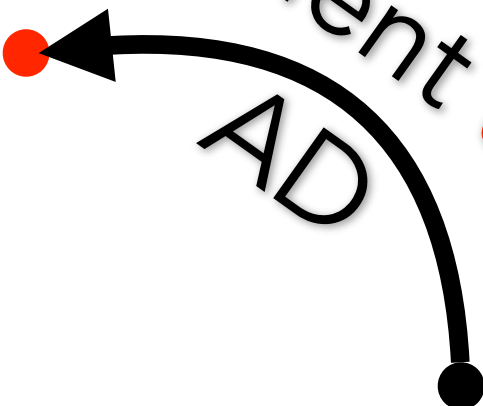
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Leftward Shift

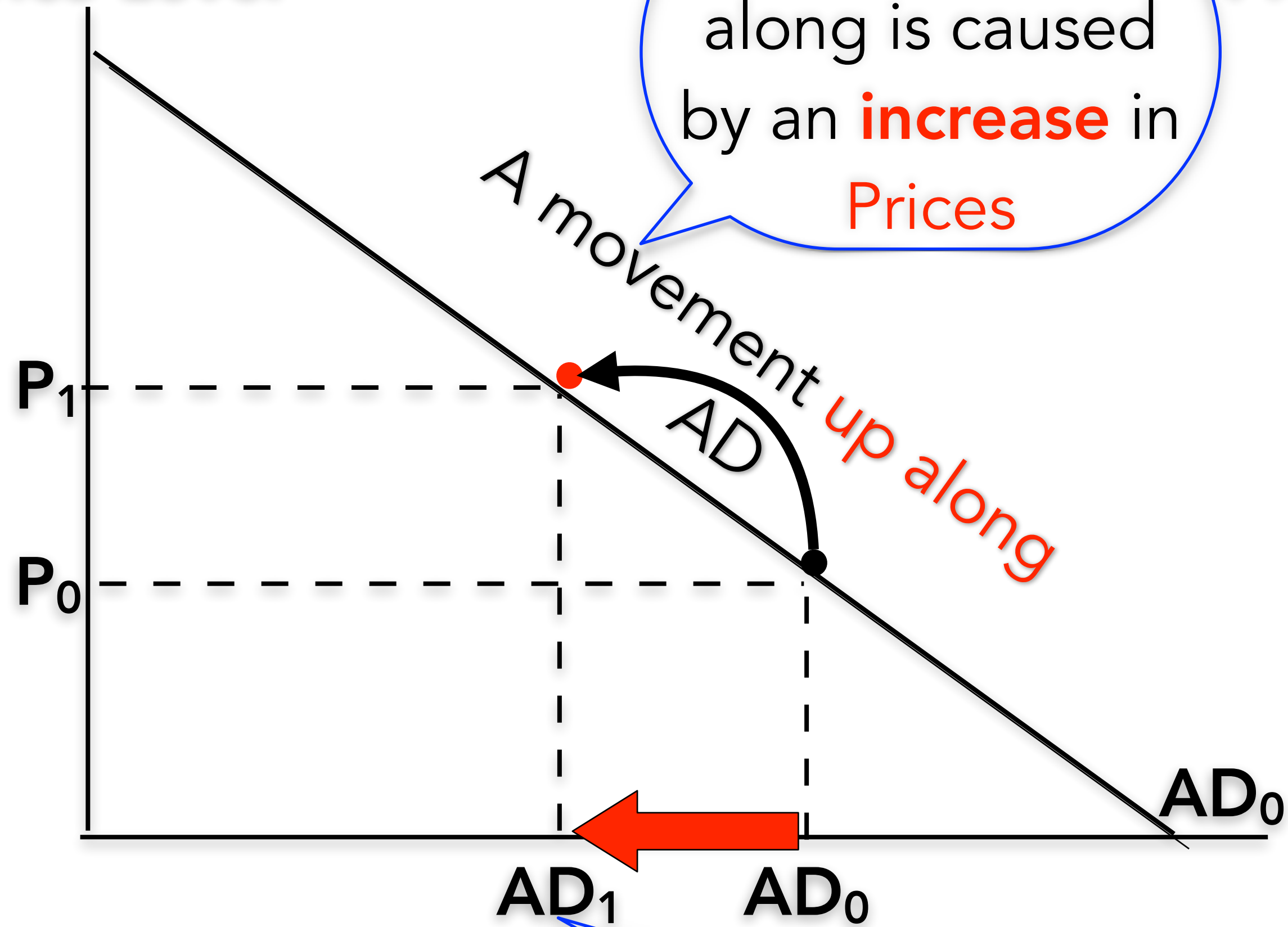


A movement *up along* AD

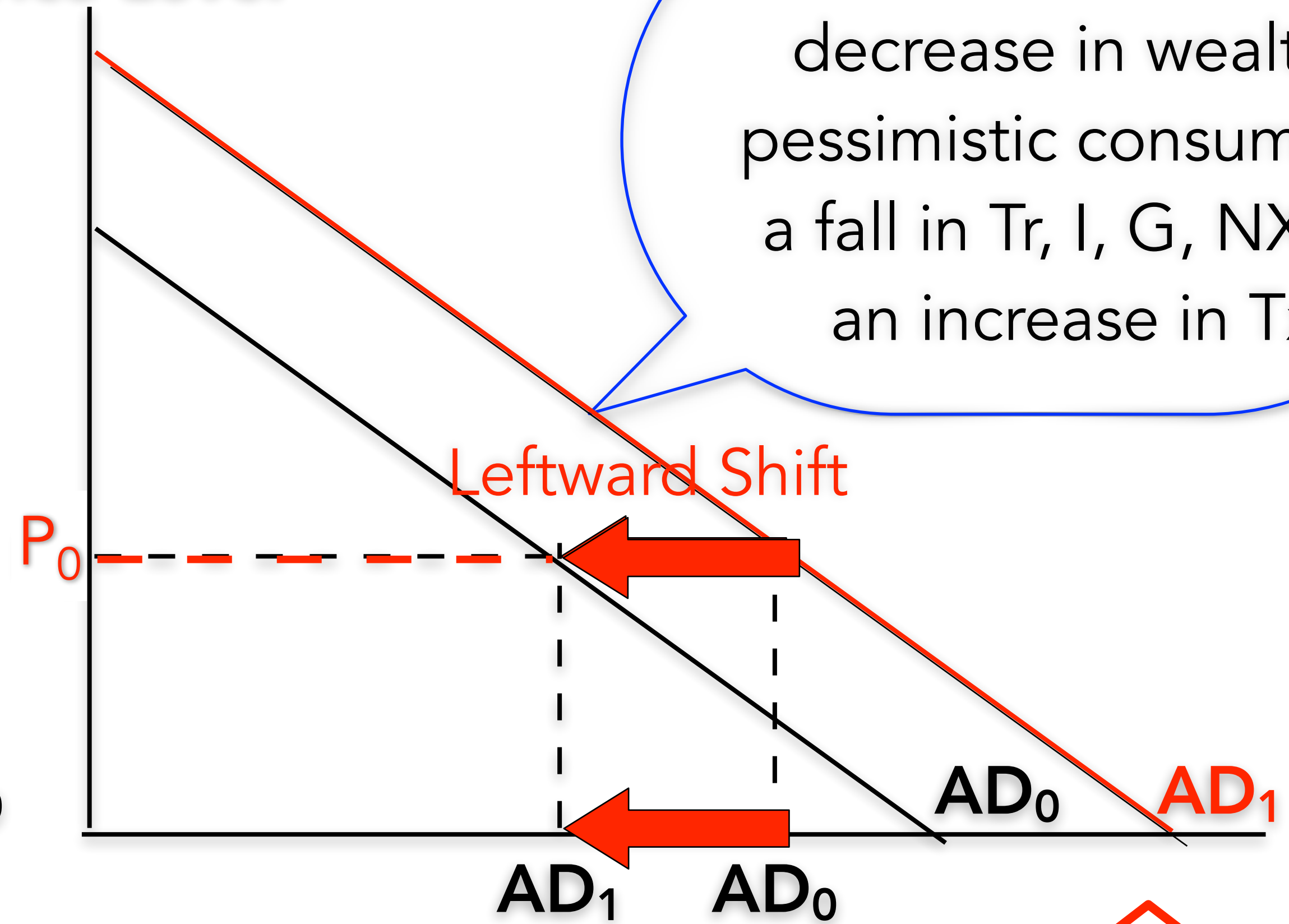


The diagram illustrates a movement along the Aggregate Demand (AD) curve. It features a curved black line representing the AD curve. A black dot is positioned at the lower end of the curve, and a red dot is positioned at the upper end. A black arrow points from the black dot to the red dot, following the curve's path. The text 'A movement up along AD' is written above the curve, with 'up along' in red and 'AD' in black.

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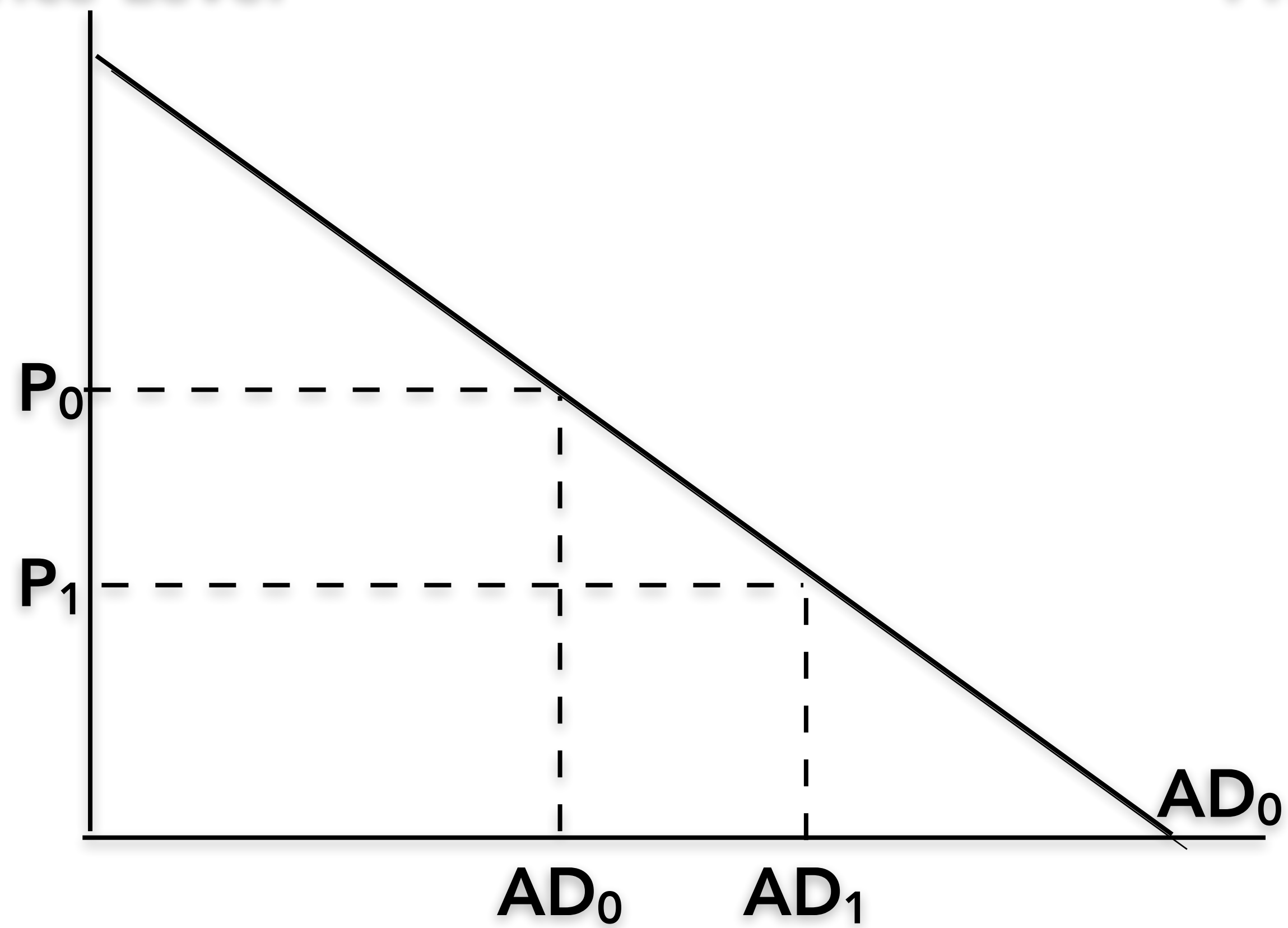
Price Level



Both show an **decrease** in Aggregate Demand

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

Price Level



Price Level

