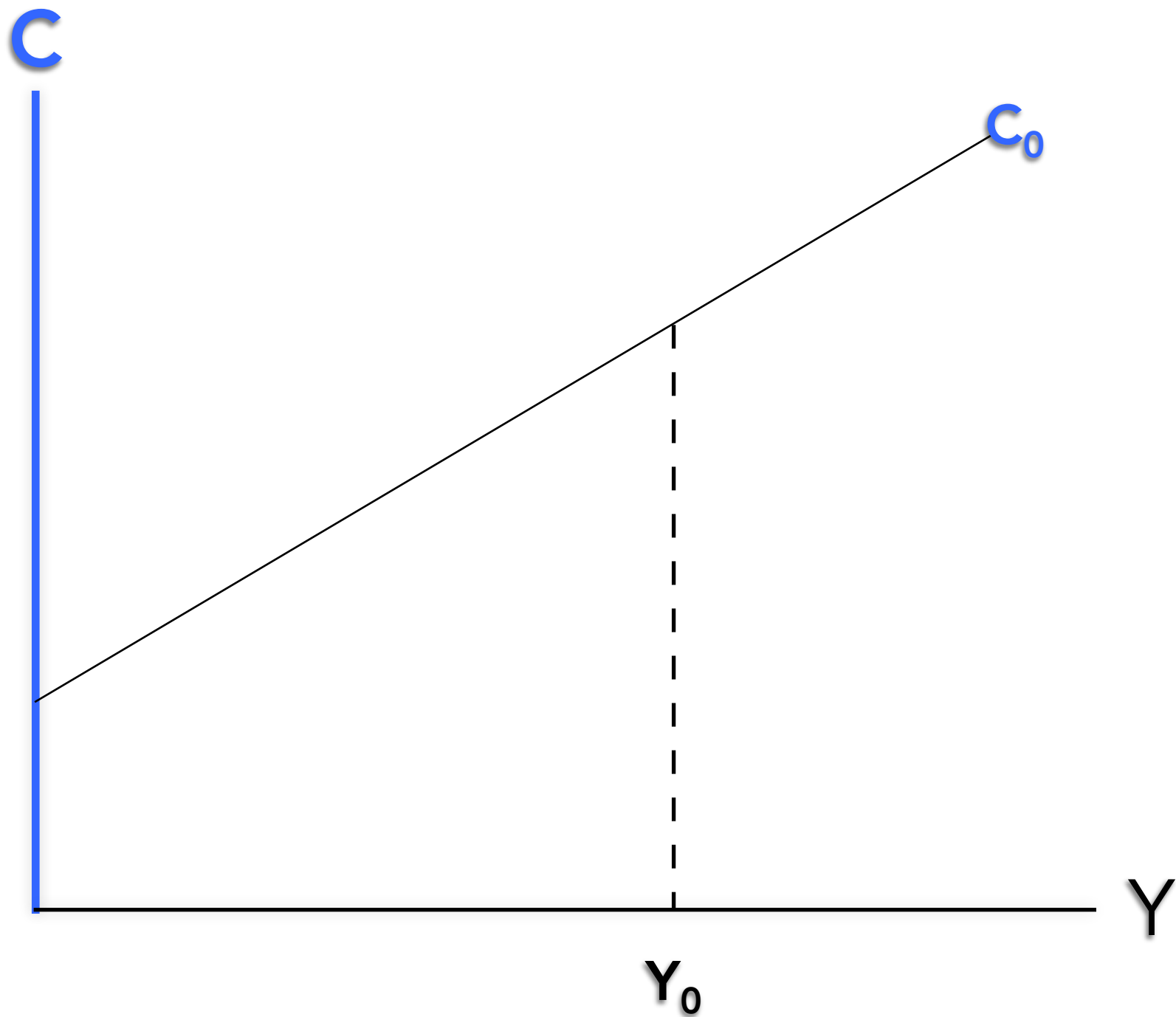
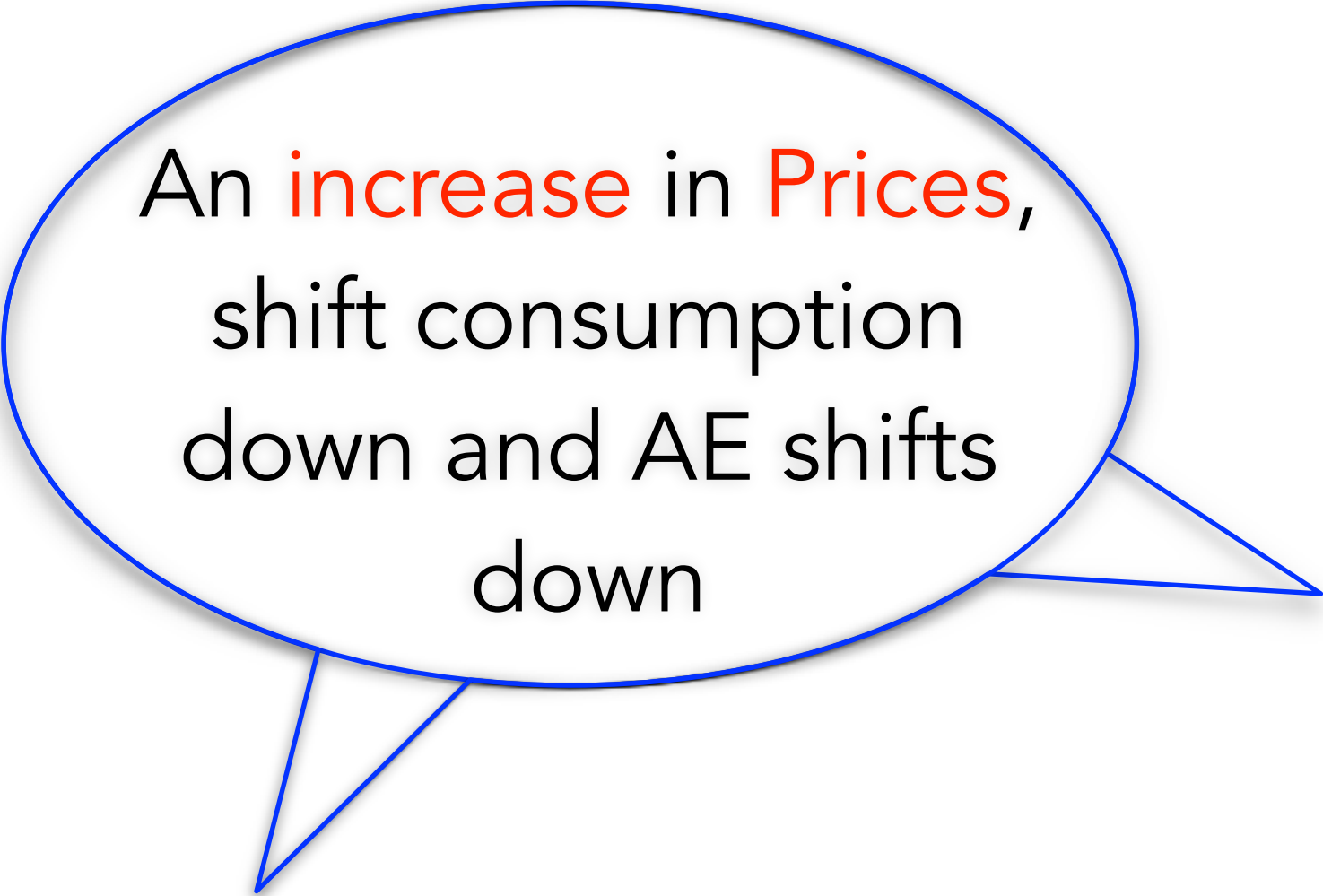


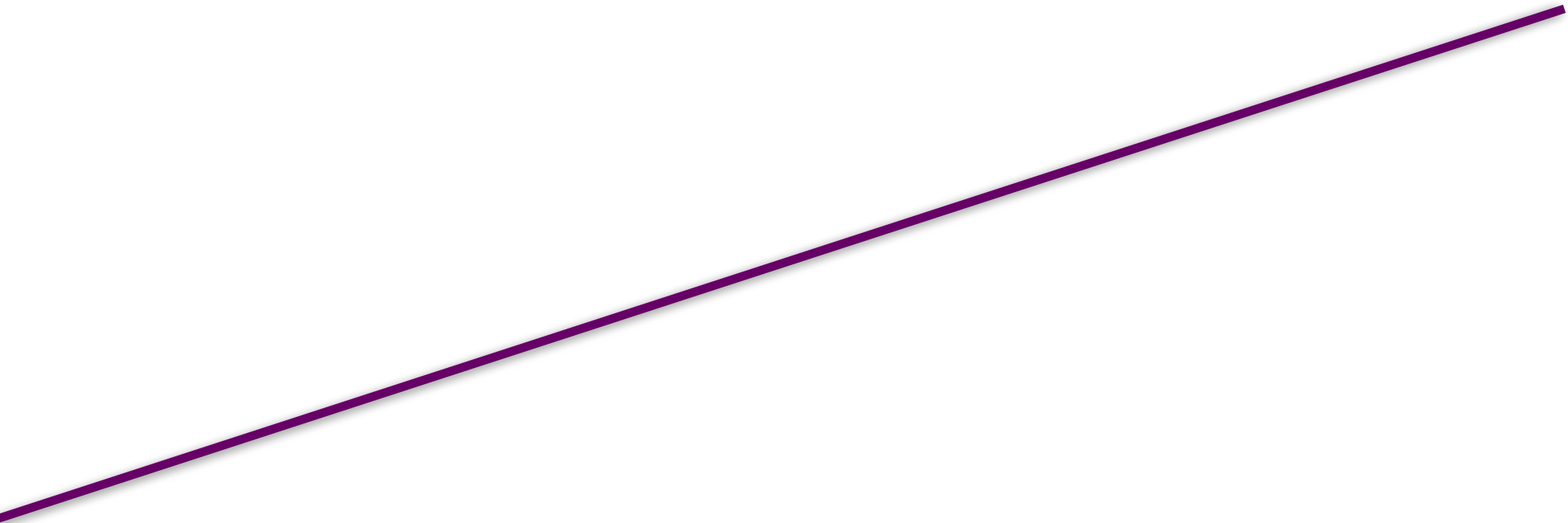
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An **increase** in **Prices**,
shift consumption
down and AE shifts
down


$$AE_1 = C_1 + I + G + NX$$


AE

$$AE_0 = C_0 + I + G + NX$$

Y_0







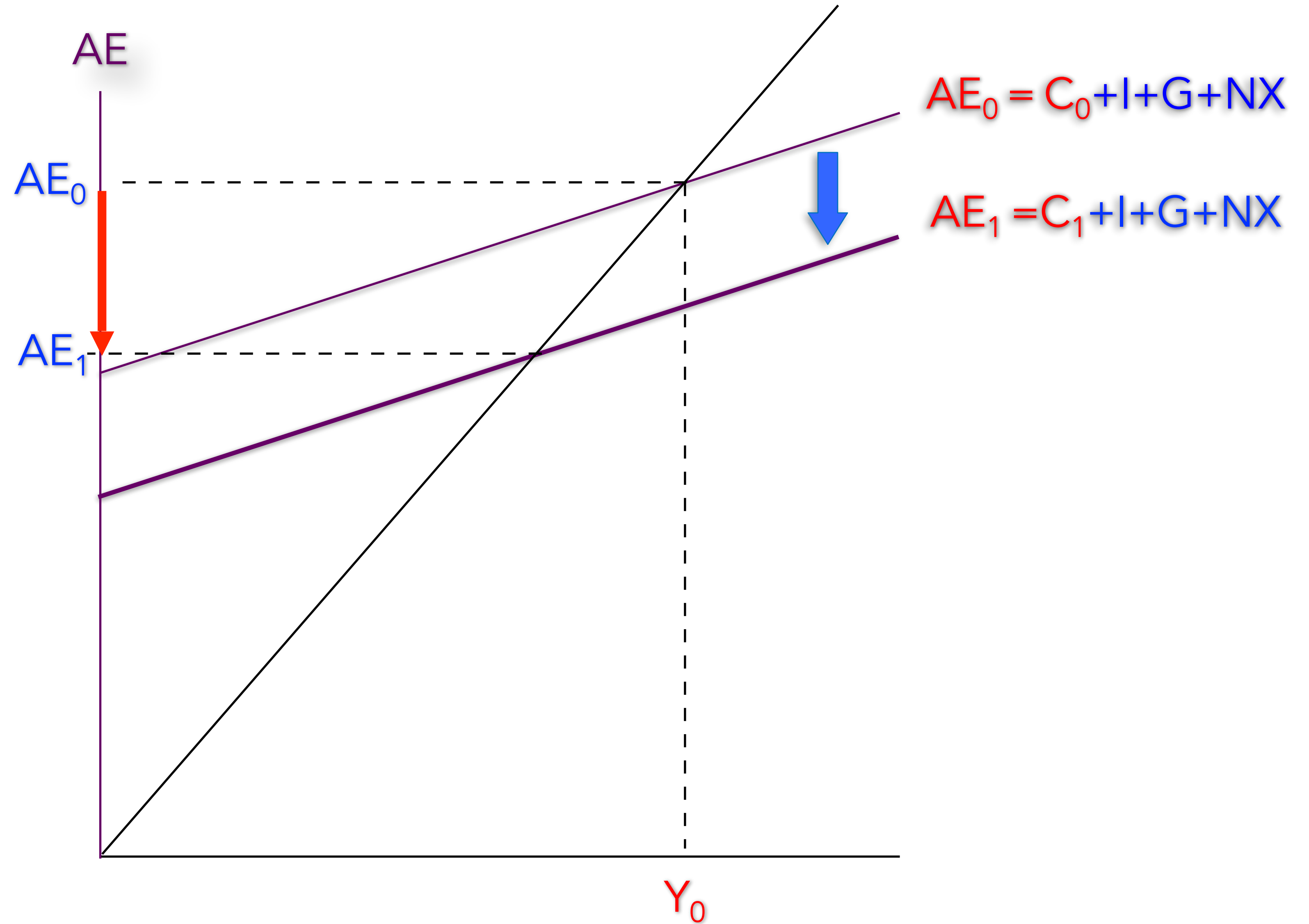
Aggregate
Demand for goods
and services
decrease

AE_1

AE_0

An **increase** in **Prices**,
shift consumption
down and AE shifts
down

Aggregate
Demand for goods
and services
decrease



Aggregate Demand

