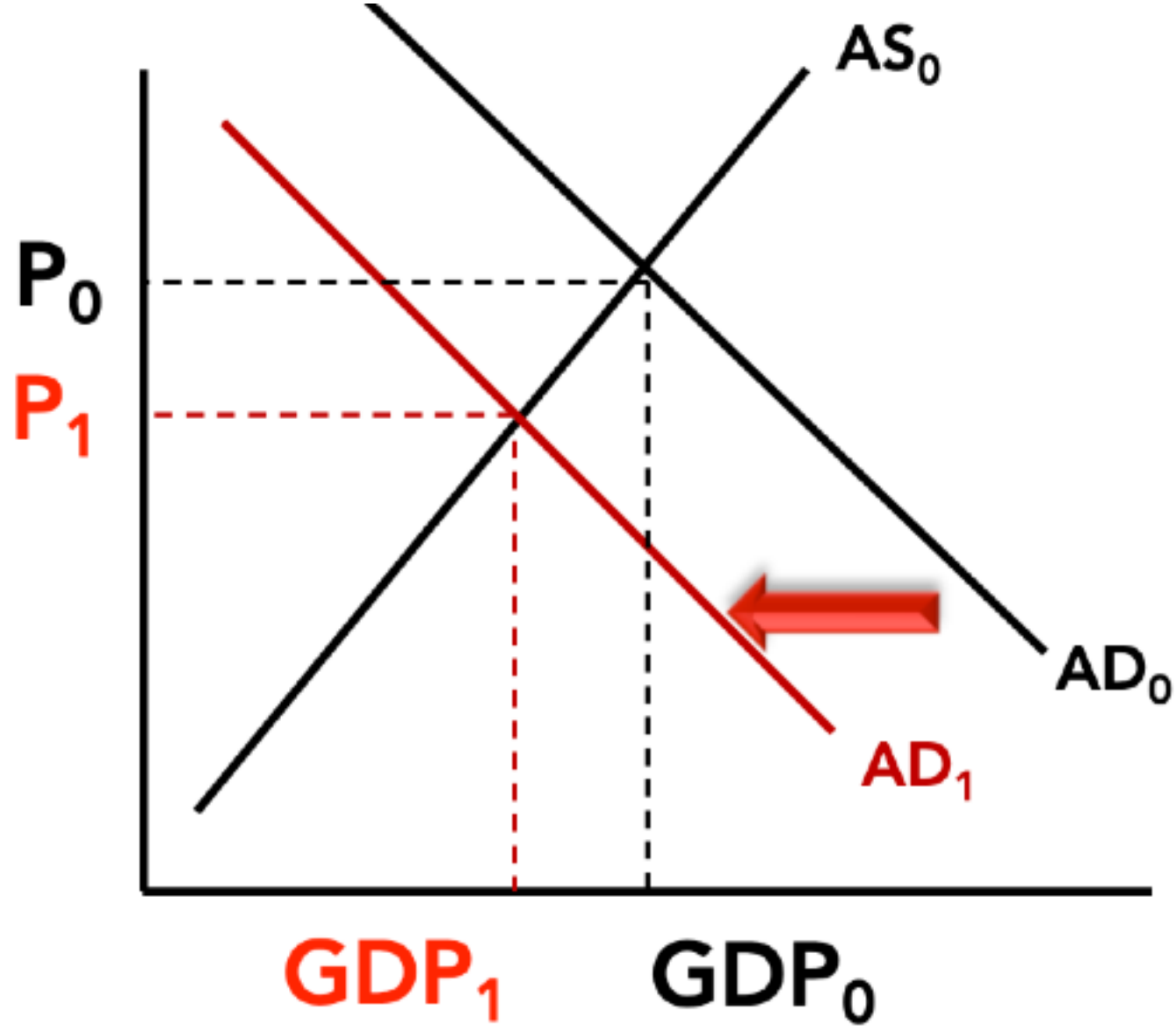


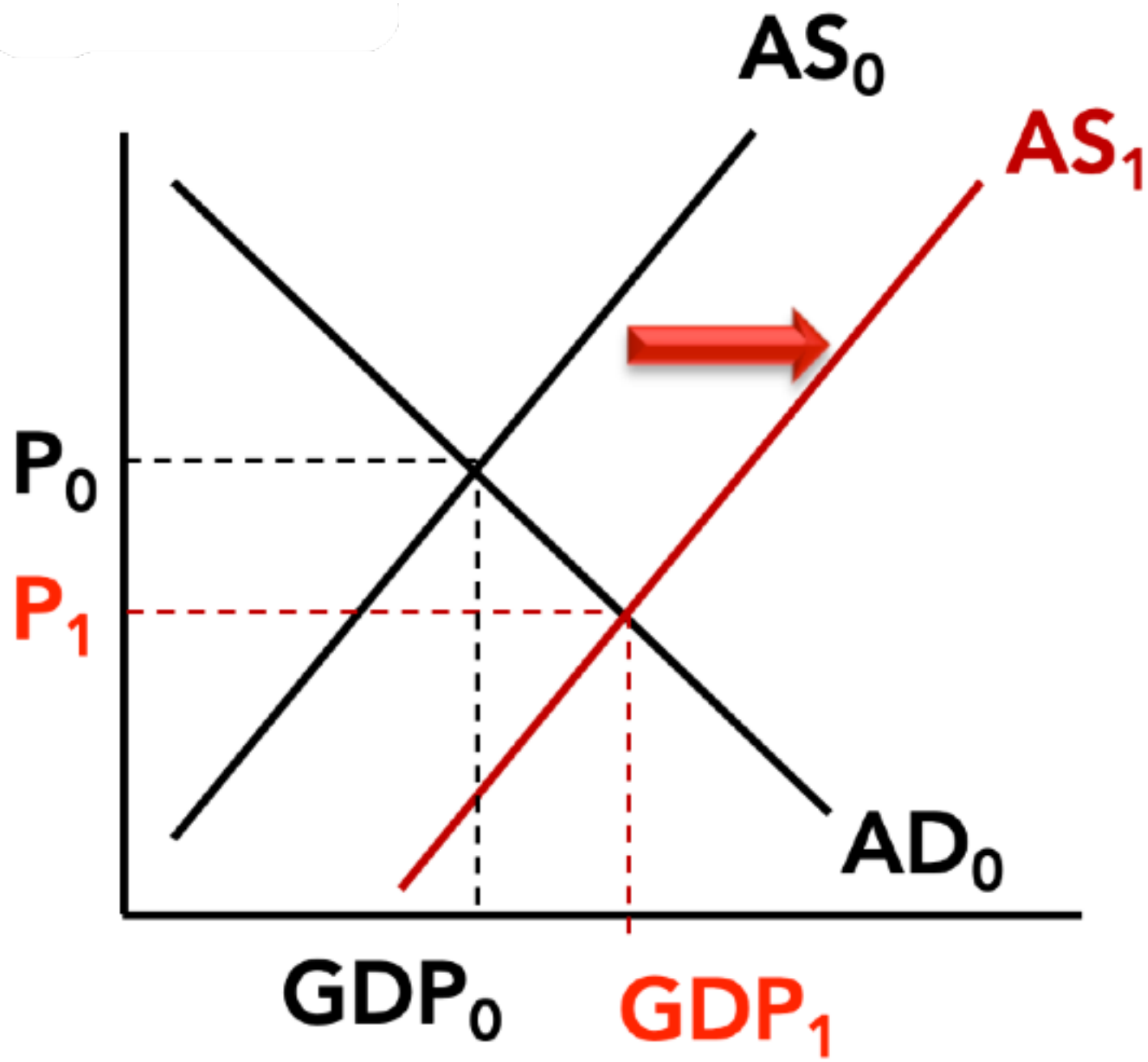


Growth



Inflation







Recession



Deflation



Growth



Deflation



Inflation



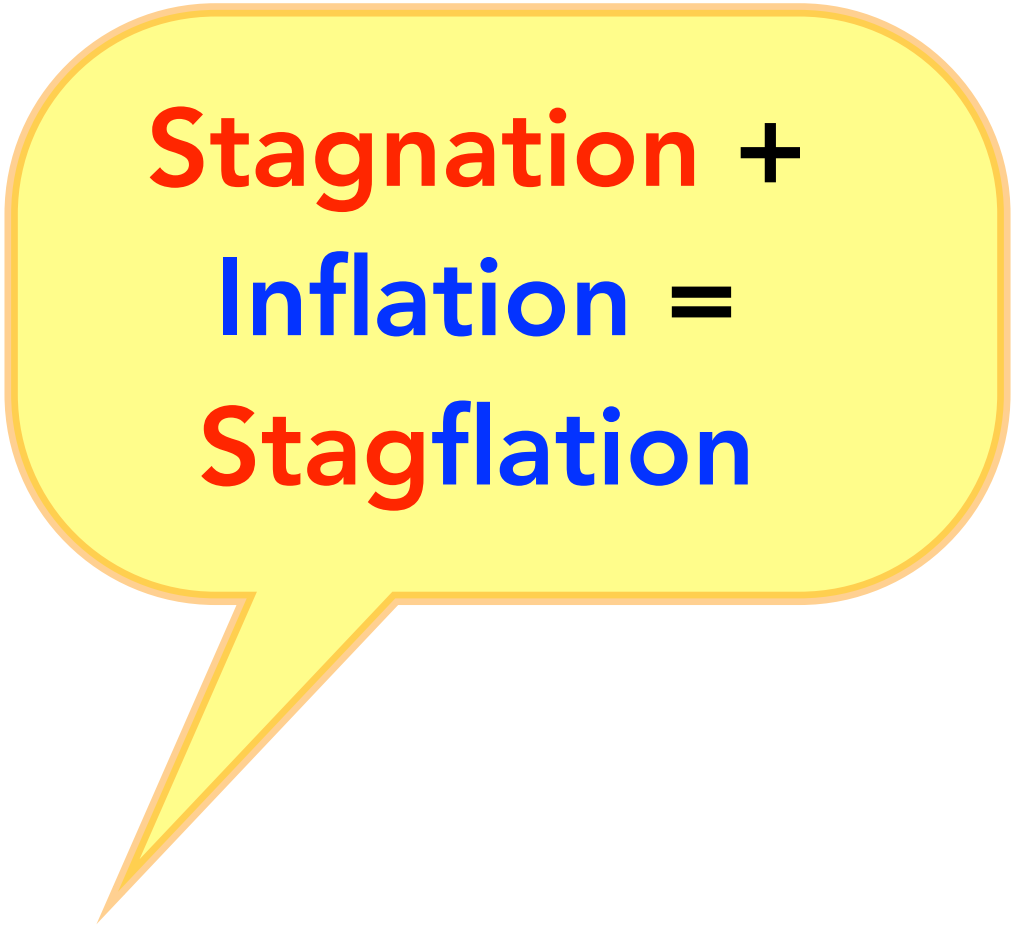
Recession

Increase in
Aggregate
Demand

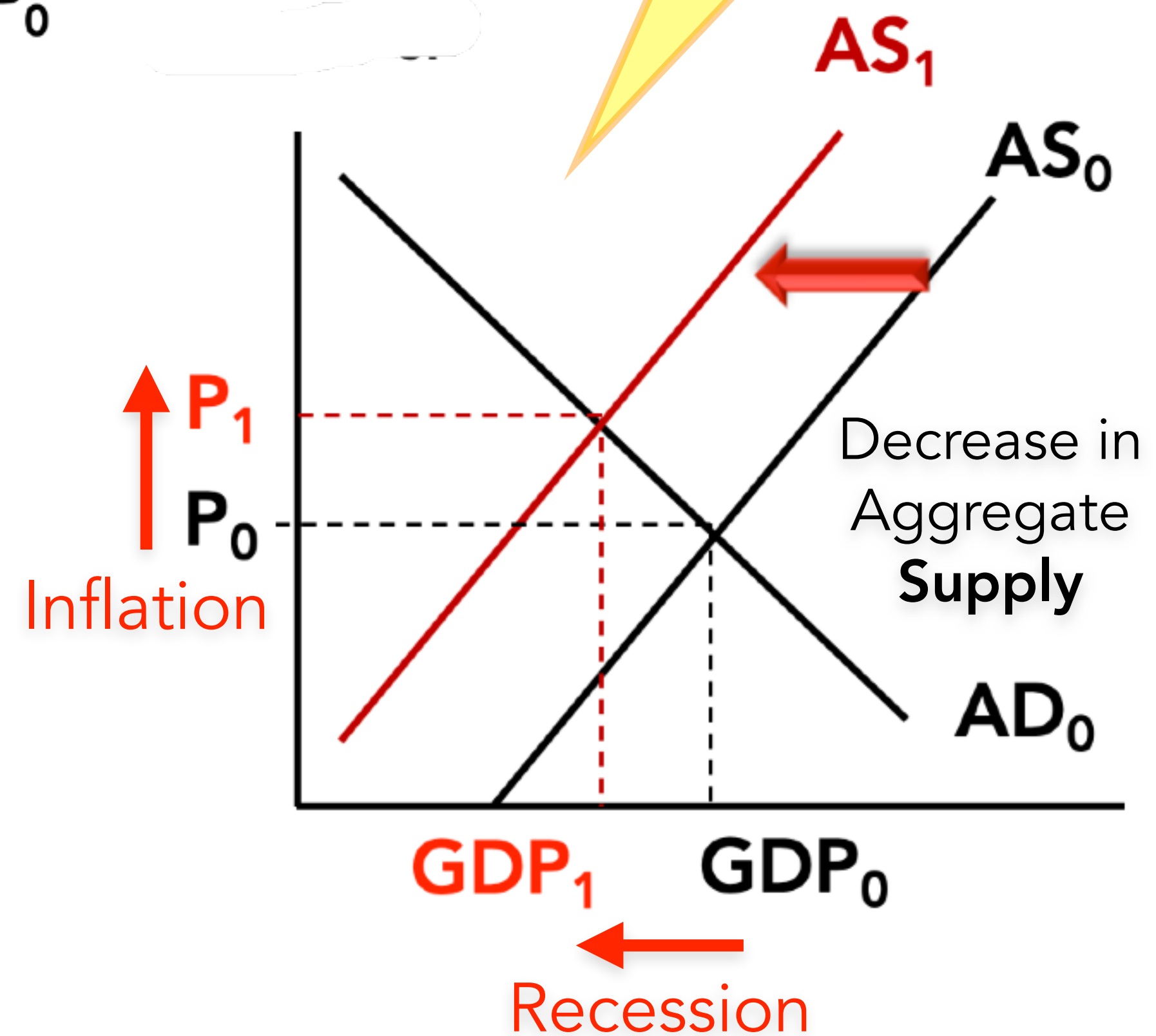
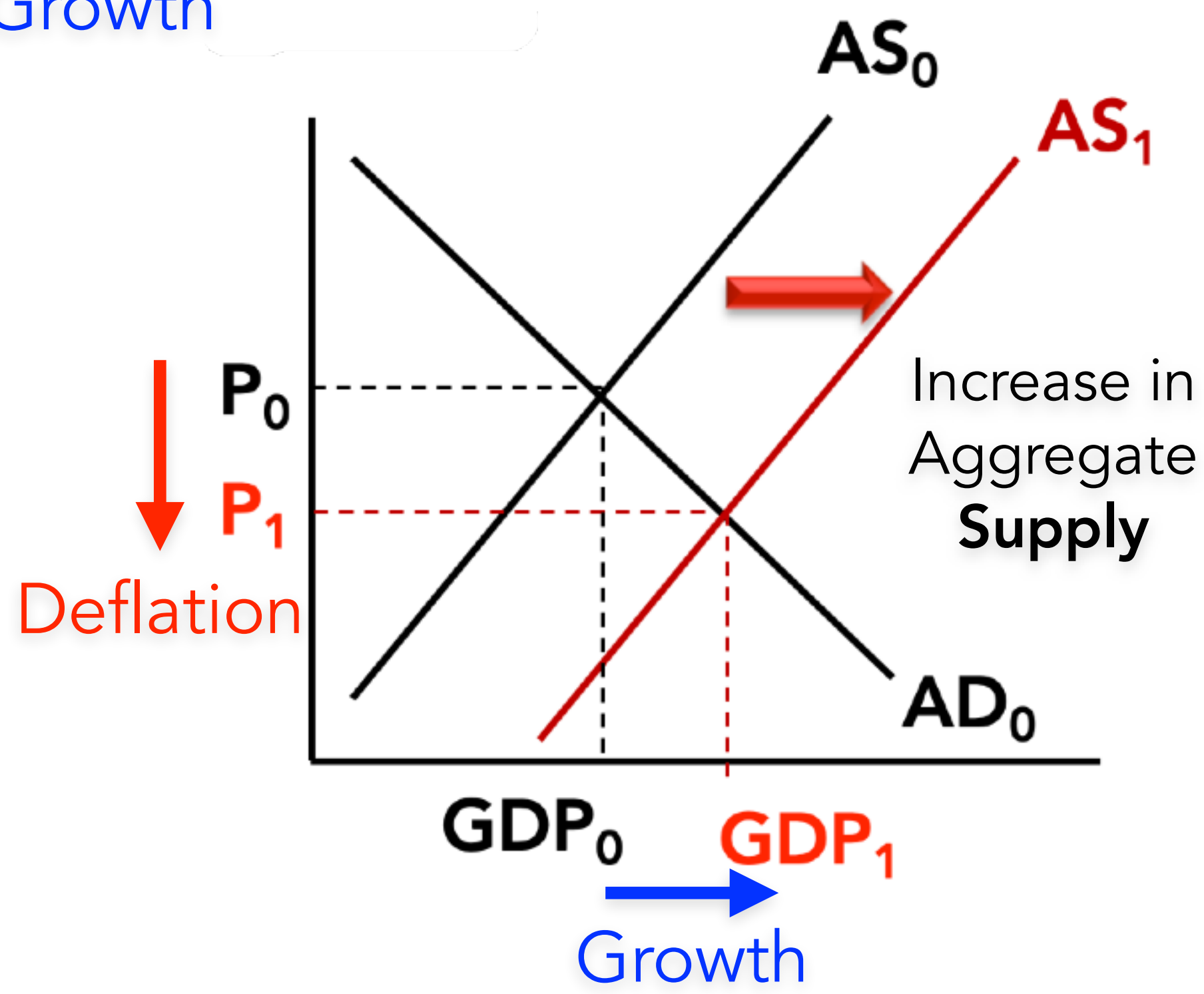
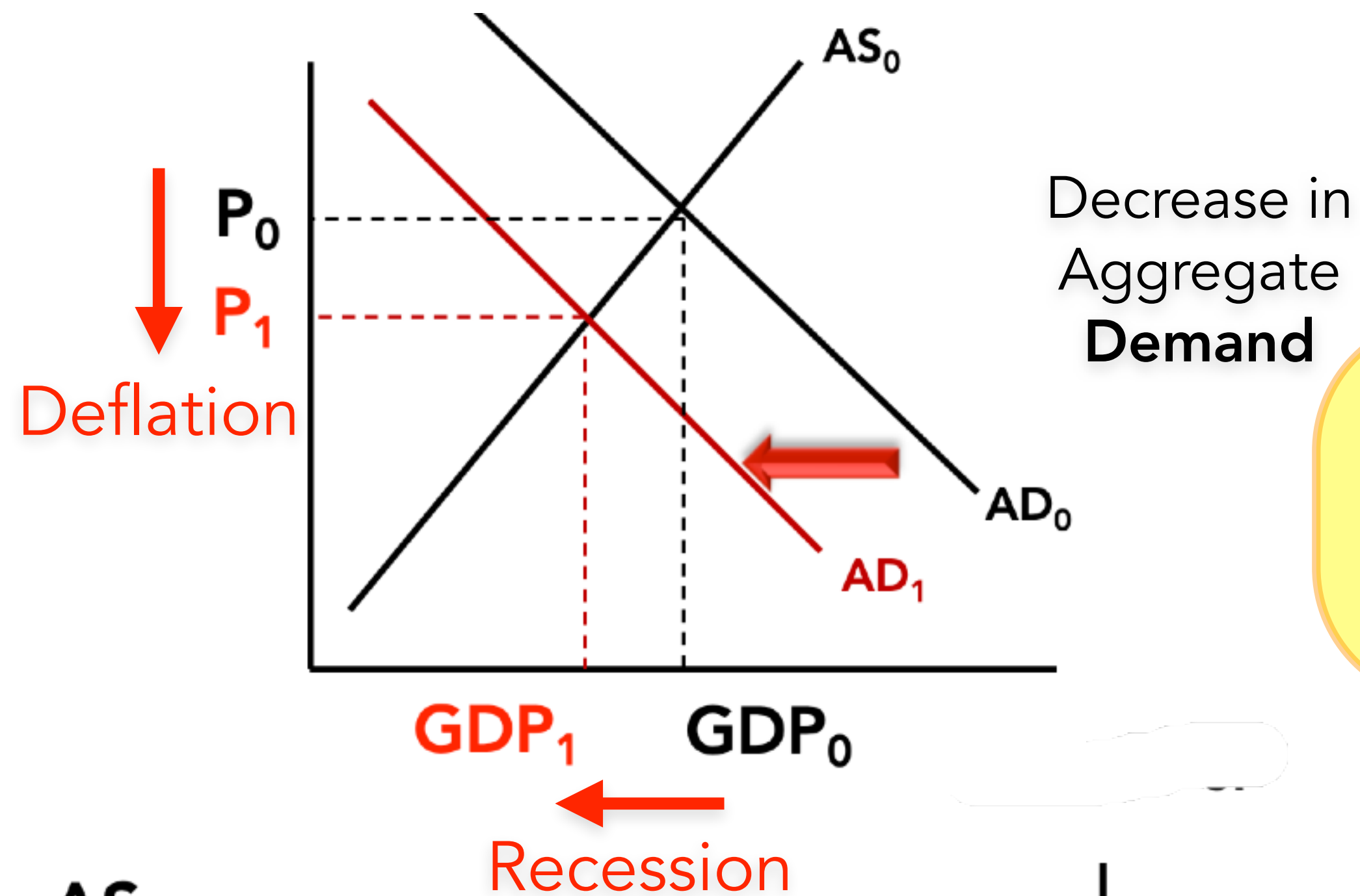
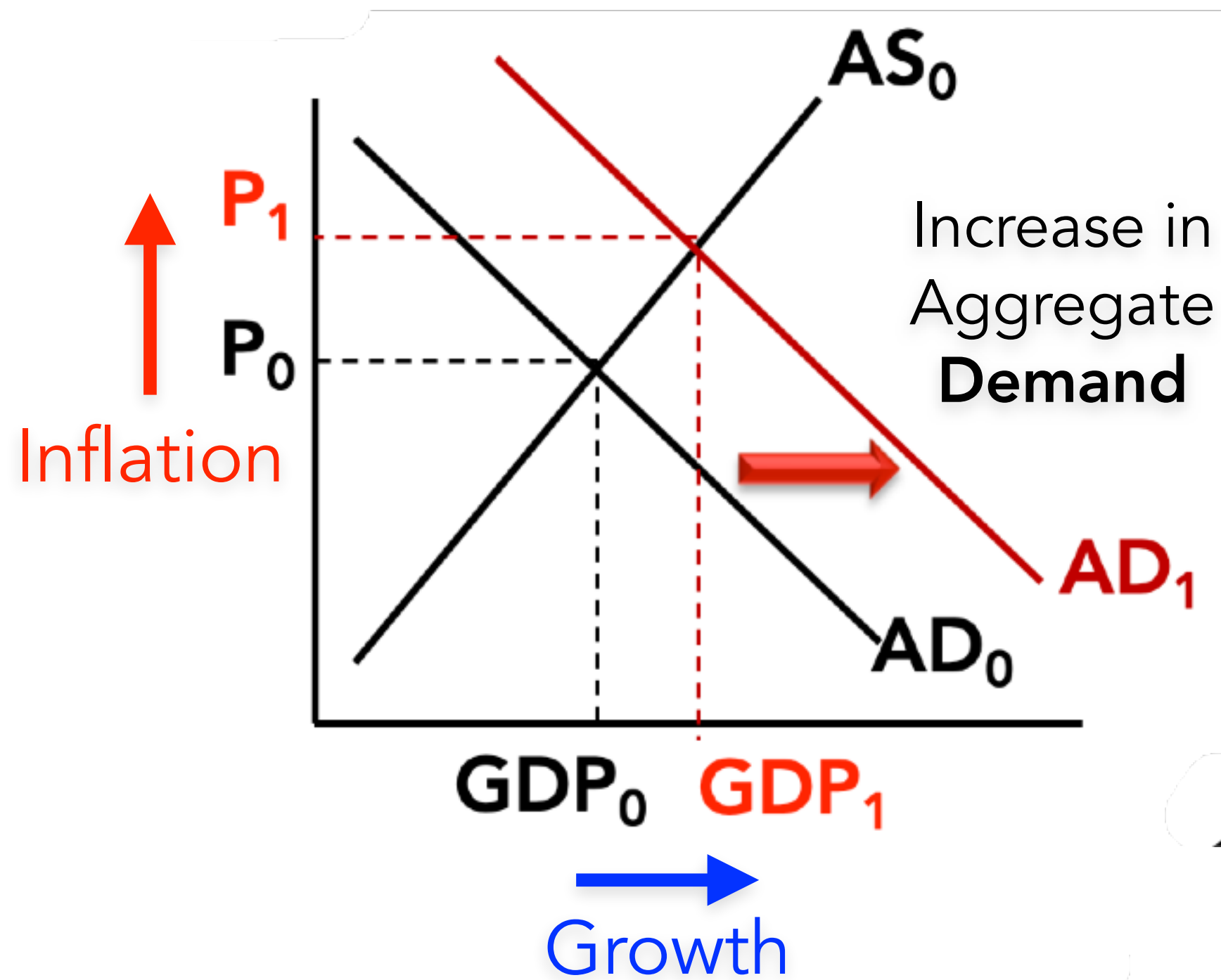
Decrease in
Aggregate
Demand

Increase in Aggregate Supply

Decrease in
Aggregate
Supply



**Stagnation +
Inflation =
Stagflation**



**Stagnation +
Inflation =
Stagflation**

The Economy has a Self Adjusting mechanism which works through automatic changes in wages and prices