## Bringing in the Supply Side: Unemployment and Inflation?



## Chapter Introduction

- 10-1 The Aggregate Supply Curve
  - 10-1a Why the Aggregate Supply Curve Slopes Upward
  - 10-1b Shifts of the Aggregate Supply Curve
- 10-2 Equilibrium of Aggregate Demand and Supply
- 10-3 Inflation and the Multiplier
- 10-4 Recessionary and Inflationary Gaps Revisited
- 10-5 Adjusting to a Recessionary Gap: Deflation or Unemployment?
  - 10-5a Why Nominal Wages and Prices Won't Fall (Easily)
  - 10-5b Does the Economy Have a Self-Correcting Mechanism?
  - 10-5c An Example from Recent History: Deflation Worries in the
    United States
- 10-6 Adjusting to an Inflationary Gap: Inflation
  - 10-6a Demand Inflation and Stagflation
  - 10-6b AU.S. Example
- 10-7 <u>Stagflation from a Supply Shock</u>
- 10-8 Applying the Model to a Growing Economy
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In this presentation we will transition from Aggregate Expenditures to Aggregate Demand