

8.2: Introduction to the Aggregate Demand-Aggregate Supply Model

What you'll learn to do: use the AD-AS model to explain the equilibrium levels of real GDP and price level



In this section, you will learn the concepts of aggregate demand and aggregate supply, and how they can be combined in the AD-AS model to identify equilibrium in the macro economy. You will also be able to analyze how shocks to either aggregate demand or aggregate supply affect real GDP and the aggregate price level as the economy moves to a new macro equilibrium.

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