

## 8.13: Discussion- The Business Cycle and the AD-AS Model

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Respond to the following prompt in a post with a minimum of 200 words, then comment on at least TWO other posts.

- While over the long run, the economy grows about 2 to 3% per year on average, over the shorter term, the economy goes through business cycles. Think about the growth rate of GDP, the inflation rate, and the unemployment rate over the last 12 quarters. Once you've looked at the data, can you draw conclusions about the state of the economy? Would you describe the economy as booming, recovering, or in recession during the last few years? Why? Use the AD-AS model to illustrate this graphically. Which curve do you think caused the change? Explain your reasoning.

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