

8.14: Assignment- Analysis of a Demand/Supply Shock using the AD-AS Model

Imagine that in the year 2022, China's economy slows significantly, causing a decrease in demand for US exports.

Use the AD/AS model to explain the likely short run impacts on U.S. GDP and the aggregate price level. What do you anticipate will happen to U.S. consumption expenditure and U.S. employment? Please explain your reasoning for each of your predictions and show graphically as appropriate.

Rubric

Criteria	Not Evident	Developing	Proficient	Distinguished	Weight
Explain the likely short run impacts on U.S. GDP using the AD/AS model					4
Explain the likely aggregate price level use the AD/AS model					4
Create a graphic to illustrate the anticipated result to U.S. consumption expenditure and U.S. employment					5
Explain the anticipated result to U.S. consumption expenditure and U.S. employment					5
Articulation of response (citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas.)					2
					Total: 20

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