Aggregate Supply

Figure 2: The Long-run Aggregate Supply Curve (LRAS)

Explain:

Define:

Define:

Figure 1: The Short-run Aggregate Supply Curve

Explain:

Learning outcome: Define, explain and distinguish between 3 models representing Aggregate Supply (AS)

Figure 3: The Keynesian Aggregate Supply Curve

Explain:

Define:

1.) Identify supply shocks that will shift the SRAS curve:

2.) Identify factors that will affect the LRAS and lead to rightward/leftward shifts:

3.) From what you observe what are the main differences between the 3 different AS curves?

4: How do these differing assumptions affect economists approaches to solving economic fluctuations?