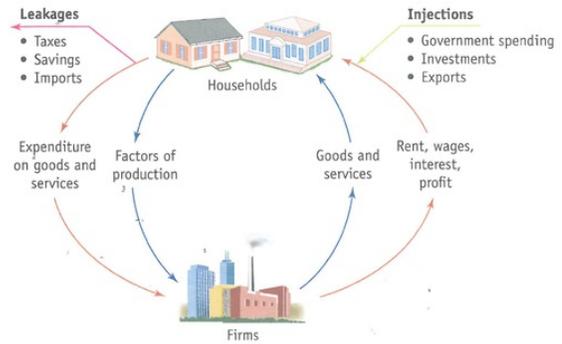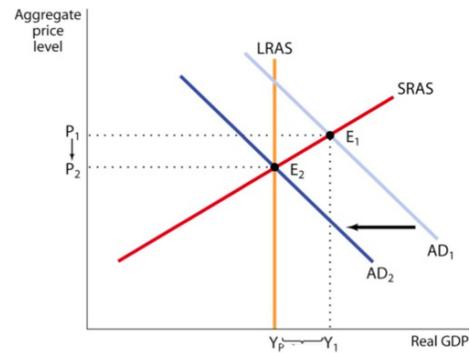|	
Aggregate Demand	
Aggregate Demand Change	
Aggregate Demand Outward Shift	
Aggregate Supply (SR)	
Business Cycle	
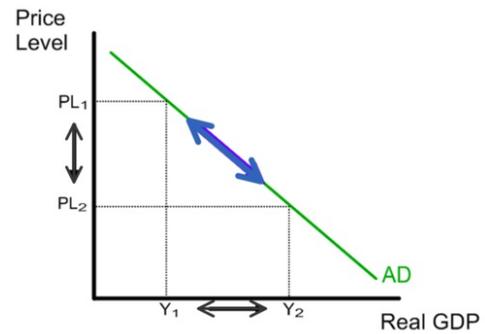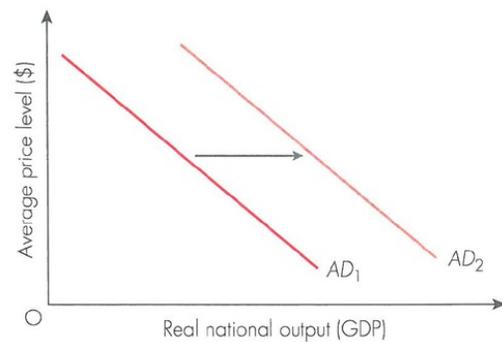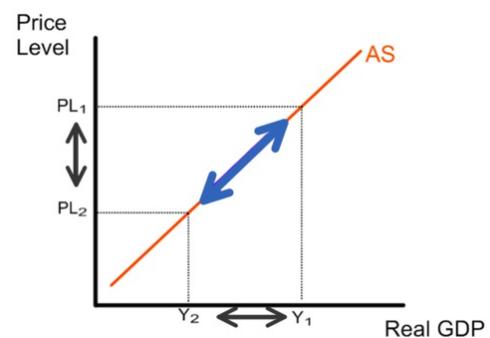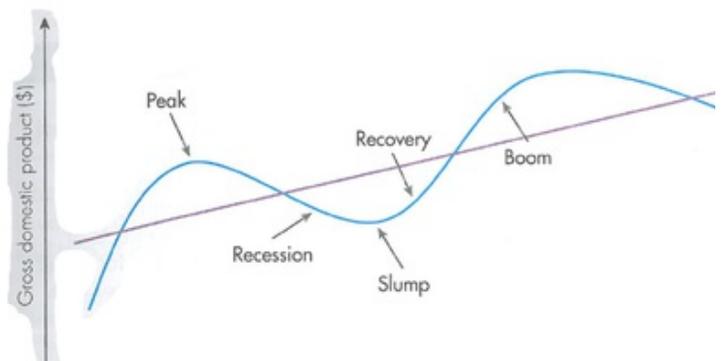
Changes in Keynesian Short Run Equilibrium
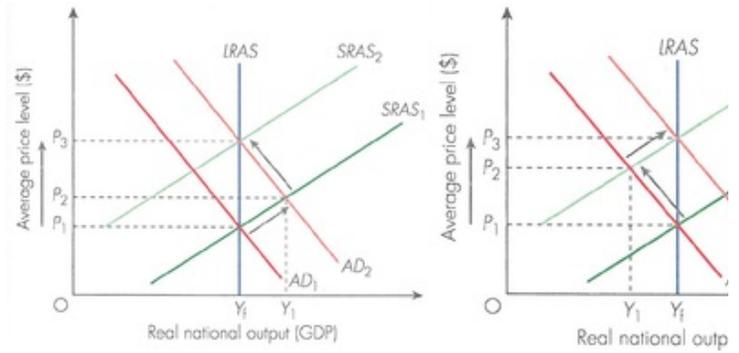
Circular Flow of Income

Contractionary Fiscal Policy

Cost/Push Inflation
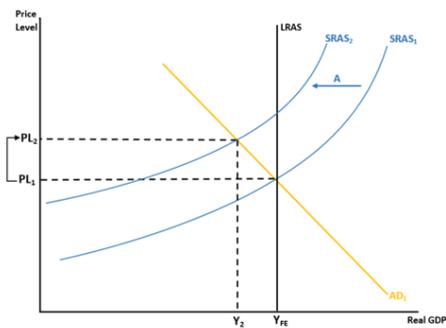
Crowding Out
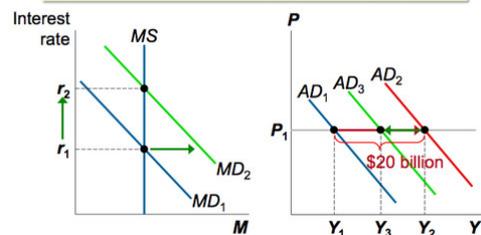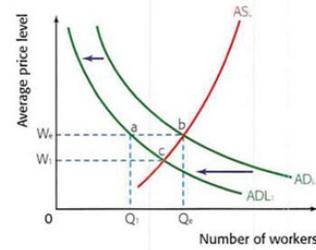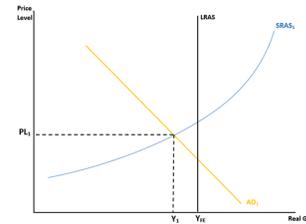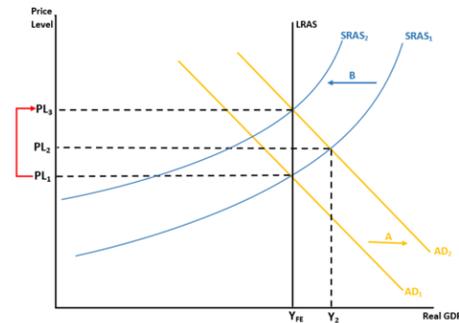
Cyclical Unemployment

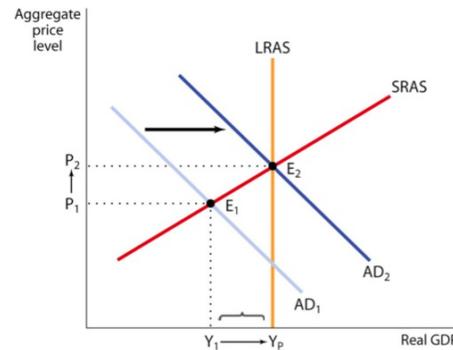Figure 17.4 (b) Demand-deficient unemployment

Deflationary Gap

When output is smaller than Yfe as a result of decreased AD

Demand/Pull Inflation

Expansionary Fiscal Policy
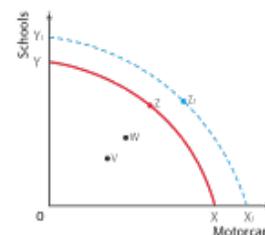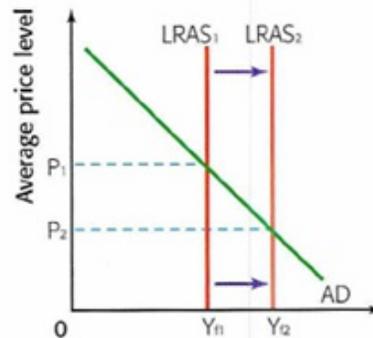

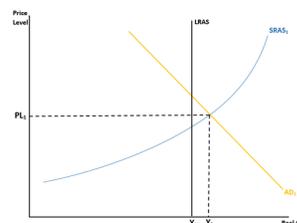## Growth of Actual Output

Figure 1.1 A production possibilities curve
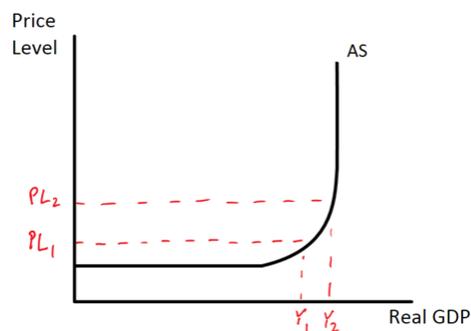
Growth of Potential Output
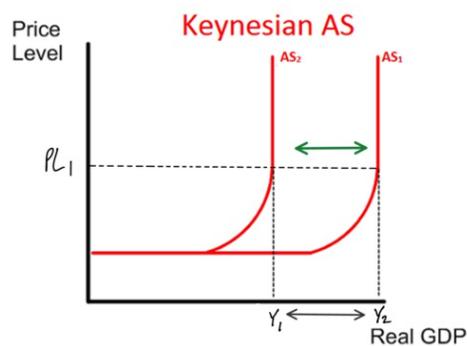

Inflationary Gap

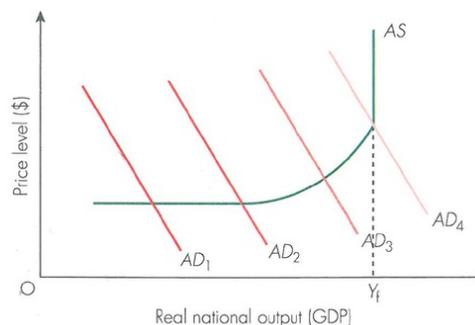When output is greater than Yfe as a result of increased AD
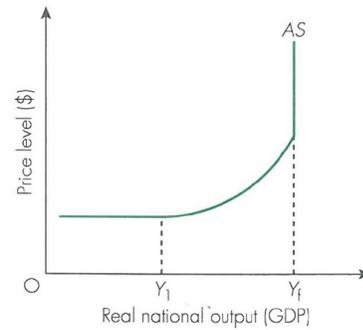
Keynesian Aggregate Supply
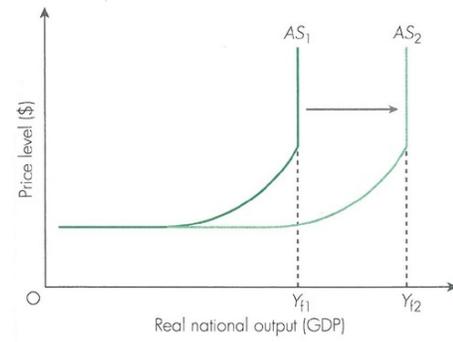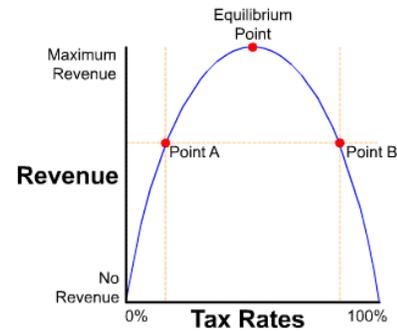

Keynesian AS shifts

Keynesian Equilibrium
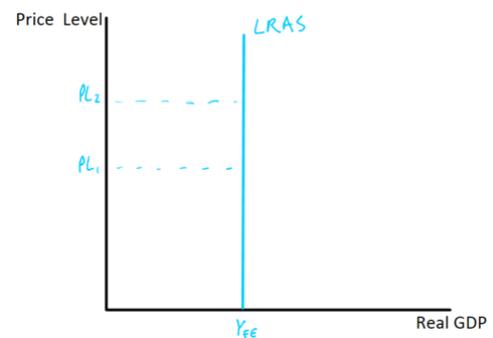
Keynesian LRAS Curve
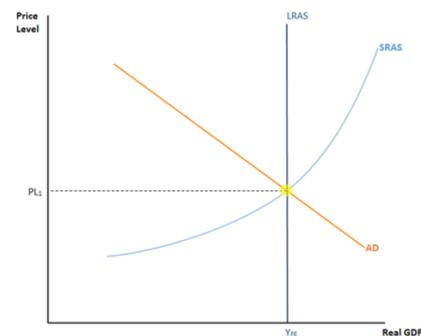

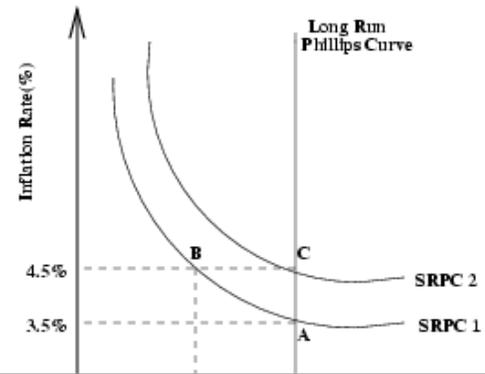## Keynesian LRAS Shift
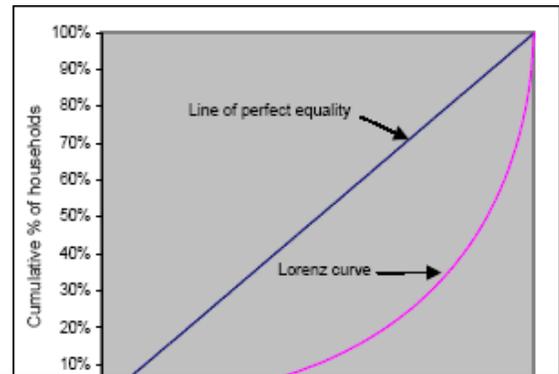

Laffer Curve

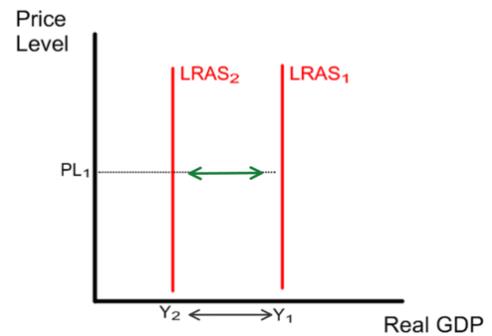## Long Run Aggregate Supply

Long Run Equilibrium
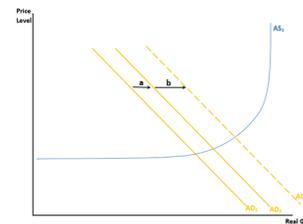
Long Run Phillips Curve
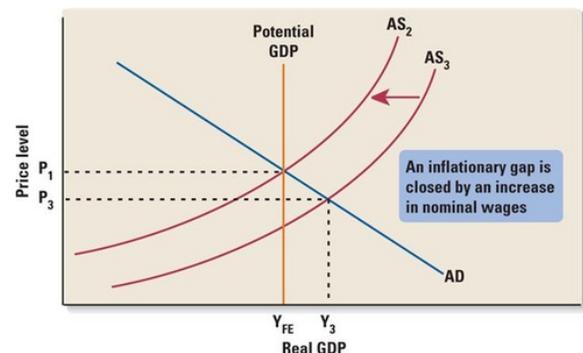

Lorenz Curve

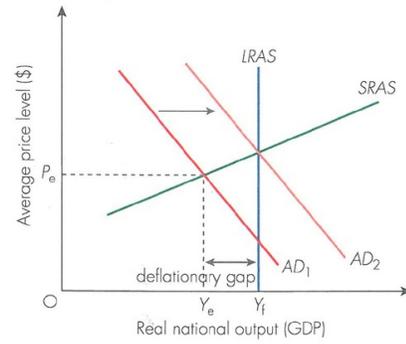## LRAS shifts

Multiplier Effect

An injection causes an initial shift of AD (a), followed by a further shift (b) as the injection circulates in the economy.
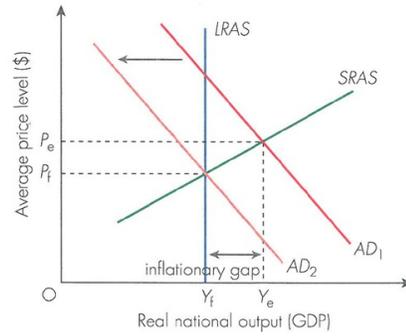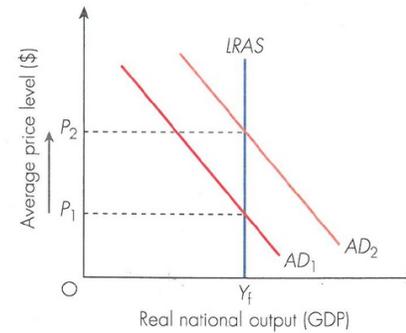
Natural Rate of Unemployment
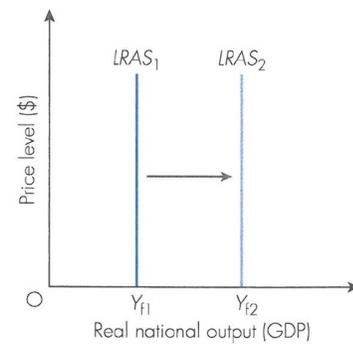
Neo-Classical Deflationary Gap
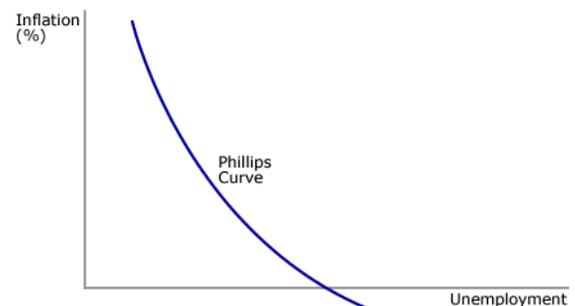

Neo-Classical Inflationary Gap

Neo-Classical Long Run Equilibrium

Neo-Classical LRAS Curve
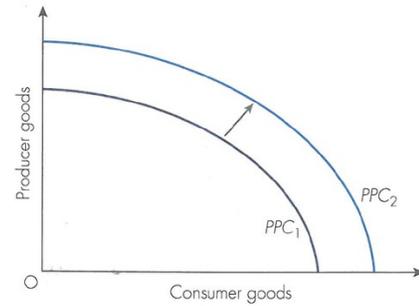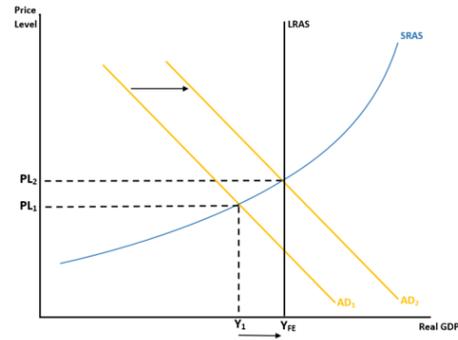

Phillips Curve - Short Run
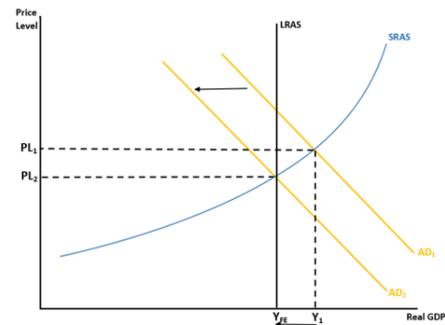
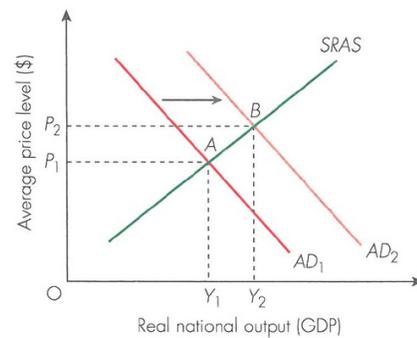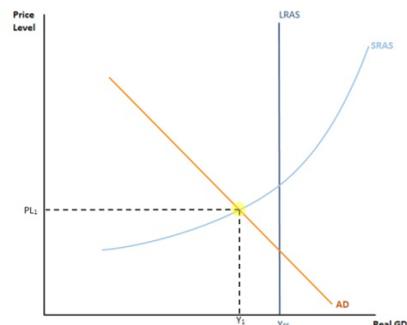|	
PPC	Figure 2.3 Economic growth
Return to Equilibrium if GDP<Full Employment level of GDP	
Return to Equilibrium if GDP>Full Employment level of GDP	
Short Run Diagram	
Short Run Equilibrium	

SRAS shifts
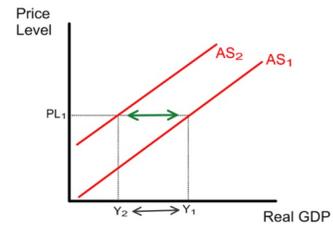
Short Run Aggregate Supply Shift