



Using Infographics to Visualize Macroeconomic Data: AD-AS Model

Handout #1 – Concept Cards

The name of the downward sloping curve illustrating the inverse relationship between price level and real GDP.

The name of the upward sloping curve illustrating the direct relationship between price level and real GDP.

The name of the y-axis label on a graph of the AD-AS Model.

The name of the x-axis label on a graph of the AD-AS Model.

This symbol is often used to identify the short-run level of equilibrium output in the AD-AS model.

Aggregate Demand

Short-run Aggregate Supply

Price Level

**Real Gross Domestic Product or
Real Output**

Y

A change in the wages paid to workers in the economy is an example of this determinant of short-run aggregate supply.

The component of aggregate demand affected by household purchases of new vehicles.

The component of aggregate demand which be affected if businesses believe the economy will expand or contract significantly in the future.

The component of aggregate demand most affected when a country undertakes the repair of vital infrastructure such as roads and bridges.

The component of aggregate demand affected by a change in the number of cell phones U.S. residents purchase from Asian countries.

Δ Price of Inputs

Δ Consumption

Δ Investment

Δ Government

Δ Net Exports

This determinant of short-run aggregate supply would be affected by improved human capital and new technology.

**Δ Productivity or
Resource Quality**

Changes in subsidies, corporate tax rate, or business regulations are examples of this determinant of short-run aggregate supply.

**Δ Legal-Institutional
Environment**

A change in the number of skilled immigrants moving into a country is an example of this determinant of short-run aggregate supply.

**Δ Quantity of
Productive Resources**

Changes in fiscal and monetary policy would effect this curve in the AD-AS model.

Aggregate Demand

The name of the perfectly inelastic curve illustrating that changes in price level do not affect real GDP.

**Long-run Aggregate
Supply Curve**

If aggregate demand shifts to the right, the economy may be experiencing this type of inflation.

If short-run aggregate supply shifts to the left, the economy may be experiencing this type of inflation.

These are examples of indices we use to measure inflation and can be used as the y-axis label in the AD/AS Model.

This approach to calculating the economic activity of a country is based on spending for goods and services. It contains the four components of aggregate demand.

This approach to calculating economic activity is based on payments made for inputs. The cost of inputs affects the quantity of output producers in the economy can supply or the short-run aggregate supply curve.

Demand Pull

Cost Push

CPI, PPI, GDP Deflator, PCE

GDP Expenditure Model

National Income

Accounting Model

**I am a
component of
the graph of
the AD–AS
model.**

**I am a
determinant
of aggregate
demand.**

**I am a
determinant
of short-run
aggregate
supply.**