

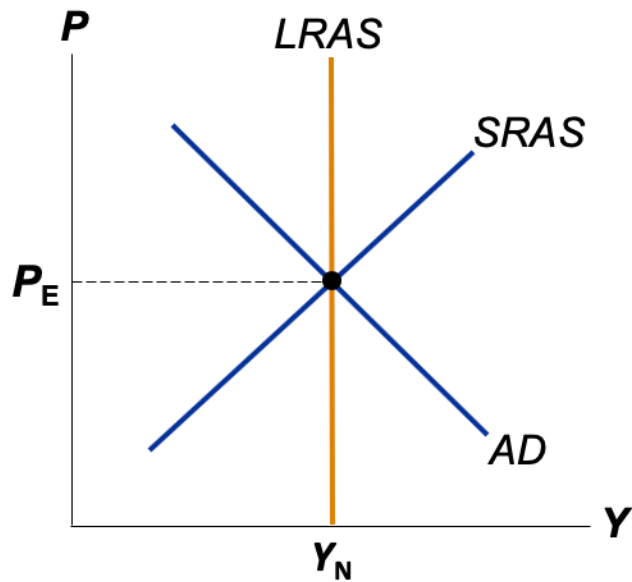
14th week: In-class Learning Activity

Economic Fluctuations

Caused by events that shift the AD and/or AS curves. Four steps to analyzing economic fluctuations:

1. Determine whether the event shifts AD or AS .
2. Determine whether curve shifts left or right.
3. Use $AD-AS$ diagram to see how the shift changes Y and P in the short run.
4. Use $AD-AS$ diagram to see how economy moves from new SR eq'm to new LR eq'm

1. Event: Stock market crash



2. Event: Boom in Canada

