

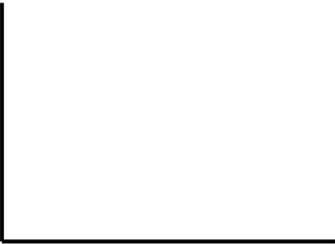
AD/AS PRACTICE

Name: _____

Team: _____

The Change	AD/AS Model	The Result
1. Calvin, and other children, convince their parents to purchase more “big ticket” items for the Holidays.		1. Before: A 2. Shifter 3. After: B 4. Gap:
2. The effect on production when a 5% excise tax is placed on several resources.		1. Before: A 2. Shifter 3. After: B 4. Gap:
3. A large purchase of U.S. wheat by Russia		1. Before: A 2. Shifter 3. After: B 4. Gap:
4. A cut in Federal spending for Health Care		1. Before: A 2. Shifter 3. After: B 4. Gap:
5. The complete disintegration of OPEC causing oil prices to fall		1. Before: A 2. Shifter 3. After: B 4. Gap:
6. A 10% decrease in personal income tax rates		1. Before: A 2. Shifter 3. After: B 4. Gap:

AD/AS PRACTICE SHEET

The Change	AD/AS Model	The Result
7. A significant increase in labor productivity		1. Before: A 2. Shifter 3. After: B 4. Gap:
8. A severe recession in a country that imports many U.S. products.		1. Before: A 2. Shifter 3. After: B 4. Gap:
9. The effect on investment when the government increases the money supply causing interest rates to fall.		1. Before: A 2. Shifter 3. After: B 4. Gap:
10. Widespread fear of depression on the part of consumers		1. Before: A 2. Shifter 3. After: B 4. Gap:
11. To stimulate the economy, the government increases spending on public works programs.		1. Before: A 2. Shifter 3. After: B 4. Gap:
12. A 12% decrease in nominal wages.		1. Before: A 2. Shifter 3. After: B 4. Gap: