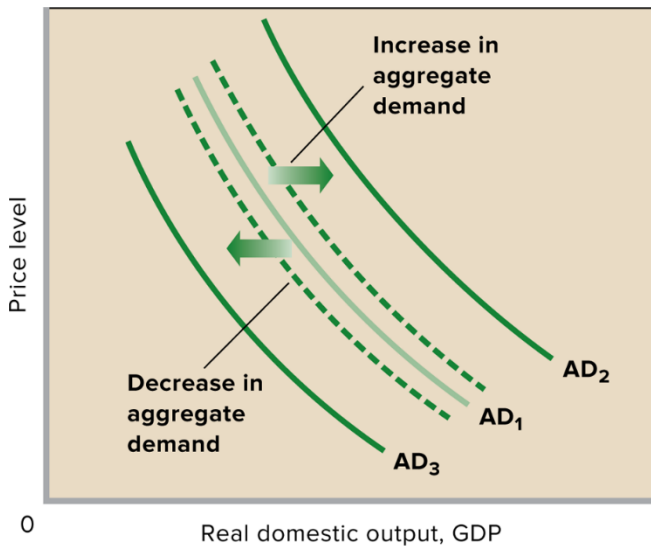


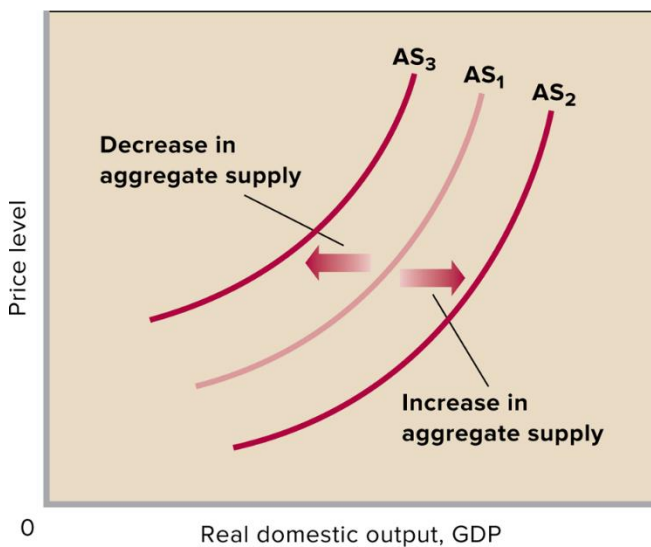
Determinants of Aggregate Demand



Determinants of Aggregate Demand: Factors That Shift the Aggregate Demand Curve

1. Change in consumer spending
 - a. Consumer wealth
 - b. Consumer expectations
 - c. Household borrowing
 - d. Taxes
2. Change in investment spending
 - a. Interest rates
 - b. Expected returns
 - Expected future business conditions
 - Technology
 - Degree of excess capacity
 - Business taxes
3. Change in government spending
4. Change in net export spending
 - a. National income abroad
 - b. Exchange rates

Determinants of Aggregate Supply



Determinants of Aggregate Supply: Factors That Shift the Aggregate Supply Curve

1. Change in input prices
 - a. Domestic resource prices
 - b. Prices of imported resources
2. Change in productivity
3. Change in legal-institutional environment
 - a. Business taxes and subsidies
 - b. Government regulations