;Economics Name:_____

Aggregate Demand and Supply Model

1) List the **4 types of unemployment**?
   - Briefly define each type

_____ _____

_____ _____

_____ _____

_____ _____

2) What does the term **full employment rate** mean? Explain the long run risk if unemployment falls below this level?

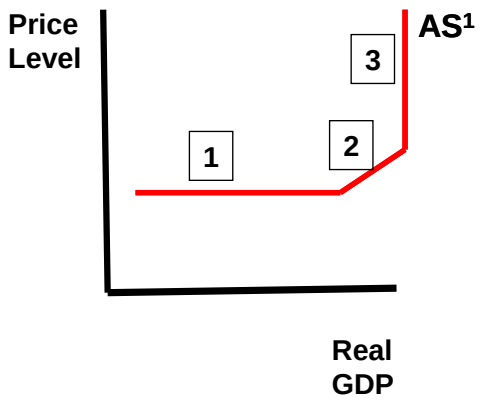
_____

_____

_____

3) **Aggregate Demand** (AD) is _____

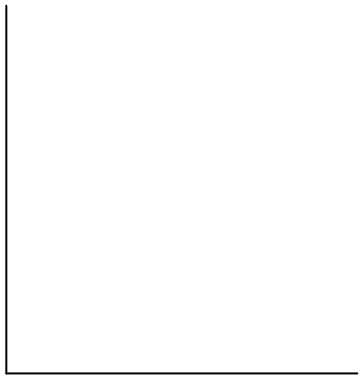
4) **Aggregate Supply** (AS) is _____



5) Explain the economic factors which cause each section of the **AS curve** to have a different shape

Section #1 _____

Section #2 _____

Section #3 _____

6) Draw the U.S. economy in a severe recession using the **AD/AS model**: