## Topic 3.3 & 3.4 SRAS and LRAS

1.	The s	short-run aggı	regate supply	(SRAS) cur	ve is u	pward sl	oping since	wages and reso	ource prices	
	are		in the sh	in the short run. The SRAS shows there is a(n)						
	relati	onship betwe	en		and	and		in the short run.		
2. How does a change in the price level impact i						DP on th	ne short-run	aggregate supr	oly?	
Increased Price Level:								00 0 11	,	
Decreased Price Level:										
3. Take a look at the events in the table below. Place an "X" in the appropriate column depending on it the event would cause the SRAS to shift right, shift left, cause movement up, or cause movement down.										
						ft Right crease)	Shift Left (Decrease)	Movement Up Along the Curve	Movement Down Along the Curve	
					PL.	SRAS1	PL 59A53 58A	RI SAAS	n. SAAS	
There is a decrease in energy prices										
There is an increase in wages										
This economy experiences deflation										
The government increases taxes on businesses										
The CPI increases										
There is an increase in worker productivity										
There is an increase in the expected rate of inflation										
4.	The I	ong-run aggre	egate supply	(LRAS) curv	e is ve	rtical at t	he		output since	
	wages and resource prices are					in the long run. The LRAS shows there is				
	no relationship between				and		in the long run.			

the event would cause the LRAS to shift right or shift left

Shift Right (Increase)

New technology increases labor productivity

Jobs training programs increase human capital

Large numbers of workers retire

Natural resources are depleted

5. Take a look at the events in the table below. Place an "X" in the appropriate column depending on if