

**Answer on Question #39797 – Economics - Macroeconomics**

**Assignment**

given the aggregate demand curve, an increase in aggregate supply would raise real GDP and reduce the price level.

true or false

**Solution**

A shock to the short-run aggregate market caused by an increase in aggregate supply, resulting in and illustrated by a rightward shift of the short-run aggregate supply curve. An increase in aggregate supply in the short-run aggregate market results in a decrease in the price level and an increase in real production. The level of real production resulting from the shock can be greater or less than full-employment real production.

So, the statement is true.