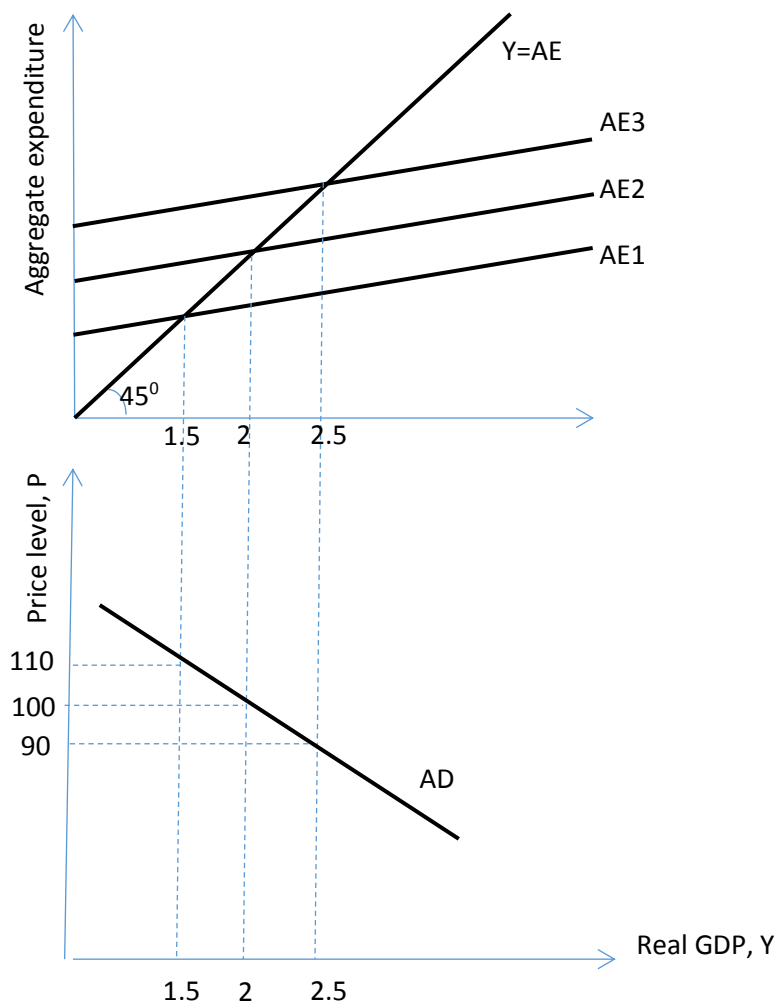# Answer on Question #68880 – Economics - Microeconomics

Question

Using the AE/Y model, show how the AD Curve is derived using output of $1.5T, $2T, and $2.5T, and a Price Level of 90, 100, and 110.

Answer :

P ↑

AE = C + I + G + NX ↓

AE shifts downward and equilibrium Y falls