

Econ 231 – Macroeconomics - Homework N6

3 points total.

PRINT YOUR NAME _____

N1. (1.5 points) Using the Income-Expenditure Diagram and the AD-AS diagram, and labeling all curves and lines:

- a) show a recessionary gap
- b) show and explain how producers can close the gap
- c) label all lines and curves properly

N2. (1.5 points) Using the Income-Expenditure Diagram and the AD-AS Diagram, and labeling all curves and lines:

- a) show an inflationary gap
- b) show and explain how producers can close the gap
- c) label all lines and curves properly