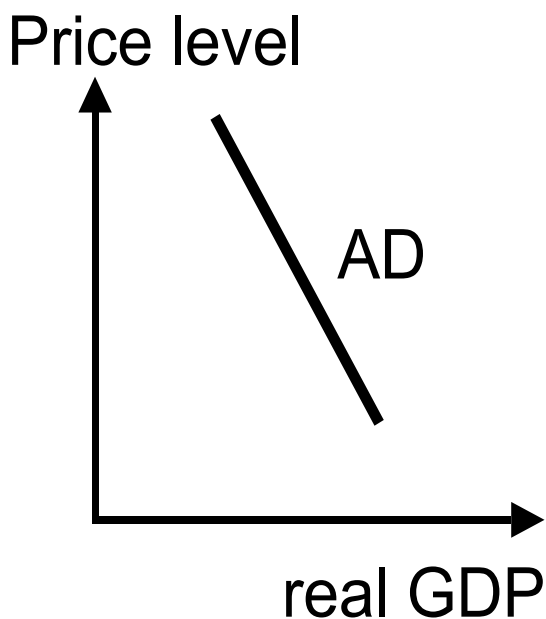


# Aggregate demand



AD = Aggregate demand

GDP = Gross domestic product

- AD shows total spending (consumption, investment, government spending and net exports) at different price levels.
- Reasons for downward sloping:
  - Wealth effect
  - Interest rate effect
  - Effect on exports and imports