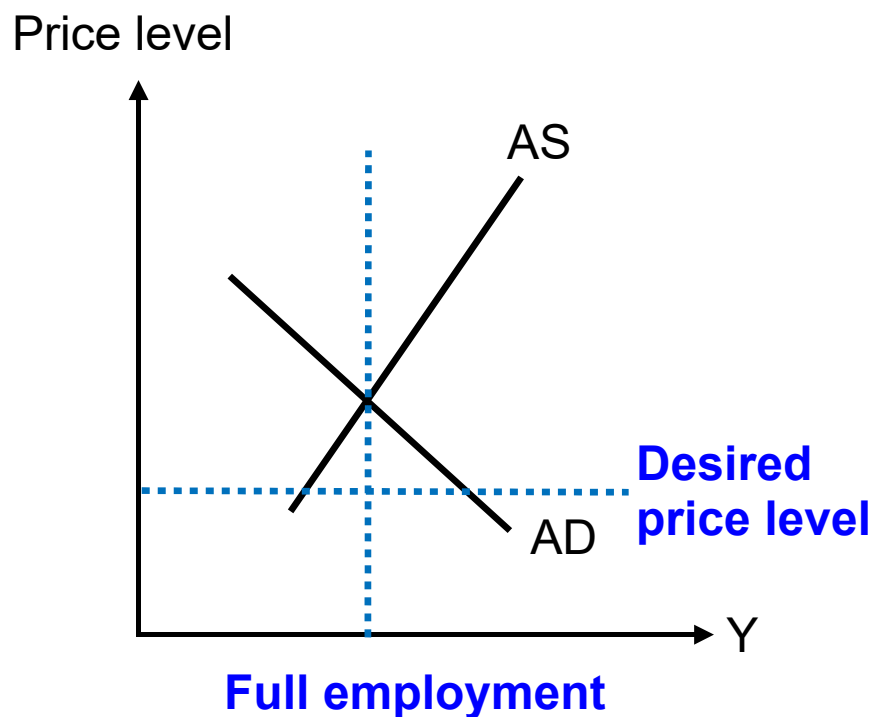


Fiscal policy - AD-AS model 2 (E102b)

- ⇒ A government wants to reduce **inflation** and bring prices down. How should fiscal policy be managed and can this target be achieved without side effects?

Situation before fiscal policy



AD = Aggregate demand
AS = Aggregate supply
Y = Real gross domestic product

[Click here to get the answer!](#)