

GUIDED READING Activity 13-3

For use with the textbook pages 356–359

AGGREGATE SUPPLY AND DEMAND

RECALLING THE FACTS

Directions: Use the information in your textbook to answer the questions.

1. When economists look at the economy as a whole, what are they looking at?

2. What is aggregate demand?

3. Why does aggregate demand have to be related to the price level, or the total average of all the prices as measured by a price index?

4. How are the aggregate demand curve and individual demand curve similar?

5. What are the two reasons there is an inverse relation shown on the aggregate demand curve?
 - a. _____
 - b. _____

6. What is aggregate supply?

7. What does the aggregate supply curve graph?

8. What happens at the intersection of the aggregate demand and aggregate supply curves?
