

## Long-run and Short-run Aggregate Graphs Drill Set 4

Create graphs for the following situations.

1. Show an economy with an inflationary gap.
2. Spending for the Vietnam War caused inflation and low unemployment. Show this using both a long-run and short-run aggregate supply curves.
3. What happened in the 1970s after the inflation from the Vietnam War?
4. Consumers gain confidence in the future and they spend more. Graph it.
5. The federal government increases the budget for the Department of Defense.
6. The State of California creates a bullet train from LA to San Francisco. How will this spending impact the economy?
7. After the changes in problem 6 occur, how will workers react. Graph it.
8. The Federal government cuts the budget for NASA. Graph it
9. European imports to the U.S. fall. Graph it.
10. Show an economy with a recessionary gap.