ECON 102 CHAPTER 28 TUTORIAL QUESTIONS
Aggregate Supply and the Equilibrium Price Level

1) An increase in aggregate demand when the economy is operating at full capacity is likely to result in
   A) an increase in both output and the overall price level.
   B) no increase in either output or the overall price level.
   C) an increase in the overall price level but no increase in output.
   D) an increase in output but no increase in the overall price level.

Refer to the information provided in Figure 27.6 below to answer the questions that follow.

![Figure 27.6](image-url)

2) Refer to Figure 27.6. Which of the following will, unambiguously, increase the price level?
   A) an increase in government spending and a decrease in costs
   B) a decrease in government spending and an increase in costs
   C) a decrease in government spending and a decrease in costs
   D) an increase in government spending and an increase in costs

3) As a result of OPEC _______ oil prices in 1973 and 1980, real GDP in United States _______.
   A) decreasing; decreased
   B) decreasing; increased
   C) increasing; did not change
   D) increasing; increased
   E) increasing; decreased
Refer to the information provided in Figure 28.4 below to answer the questions that follow.

![Graph showing AS and AD curves]

Figure 28.4

4) Refer to Figure 28.4. If the economy is currently at the intersection of $AS$ and $AD$, stagflation would be caused by

A) an increase in $AD$.

B) a decrease in $AD$.

C) an increase in $AS$.

D) a decrease in $AS$.

4) ________