CONCEPT: SHIFTING SHORT RUN AGGREGATE SUPPLY

● When factors other than the price level change, the aggregate supply curve will either shift left or right

□ ***Aggregate Supply*** is different in the short-run and the long-run

> Short Run: The quantity of Real GDP is affected by current price levels

- Real GDP = goods and services produced

- Factors of production = labor, capital, natural resources, and available technology

> The SRAS will shift based on short-term fluctuations in the availability of factors of production

● SRAS will shift when there is a change in one of the underlying factors of production:

Factor of Production	**"Good" Example → Shift ______**	**"Bad" Example → Shift ______**
Labor		
Physical and Human Capital		
Natural Resources		
Technology		

● SRAS will also shift when there is a change in expectations:

Expectation	**"Good" Example → Shift ______**	**"Bad" Example → Shift ______**
Future Price Level		
Supply Shock (unexpected event)		
Adjustment for Past Expectations		