Use the graphic below to answer the following questions.

1. How will the price level change if Aggregate Demand increases?
2. How does economic output change if Aggregate Demand increases?
3. How does unemployment change if Aggregate Demand increases?
4. Explain the reasoning you used to answer the previous question.
5. Is the change you described your answer to Question 1 *demand-pull inflation* or *cost-push inflation*?
6. What is the term used to describe the change in prices if Aggregate Demand decreases?
7. How will the price level change if Aggregate supply decreases?
8. Is the change you described in the previous question *demand-pull inflation* or *cost-push inflation*?