



## **[Glossary]**

### **Aggregate Supply and Aggregate Demand Model - I**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 3 <sup>rd</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 301 Macroeconomics - I
<b>Unit No. &amp; Title:</b>	Unit – 3 Aggregate Supply and Aggregate Demand Model
<b>Lecture No. &amp; Title:</b>	Lecture – 1 Aggregate Supply and Aggregate Demand Model - I

## **Glossary**

**Aggregate supply:** Is the total supply of goods and services produced within an economy at a given overall price level in a given time period.

**Aggregate demand:** The amount of money which entrepreneurs expect to get by selling the output produced by the number of labourers employed.

**Effective demand:** Effective Demand is that aggregate demand price which becomes effective, because it is equal to aggregate supply price and thus represents a position of 'short-run' equilibrium.