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1) Aggregate Demand (AD) :- Total demand for goods and services.

2) AD curve :- Downward slopping due to wealth, interest rate, and international trade effects.

3) Aggregate Supply (AS) :- Total supply of goods and services.

4) AS curve (short run) :- Upward slopping due to sticky wages and costs.

5) Macroeconomics Equilibrium :- AD = AS, determines price level and real GDP

6) Changes in AD/AS :- Shift curves, affecting equilibrium price level and real GDP.

Curve Distinctions :-

- AD Curve ≠ Market Demand Curve (total economy vs. specific good)
- AS curve ≠ Market Supply Curve (total economy vs. specific good).

Effects of changes :-

- AD increases :- Price level and real GDP rise.
- AD Decrease :- Price level and real GDP fall.
- AS Increase :- Price level falls, real GDP rises.
- AS Decrease :- Price level rises, real GDP falls.