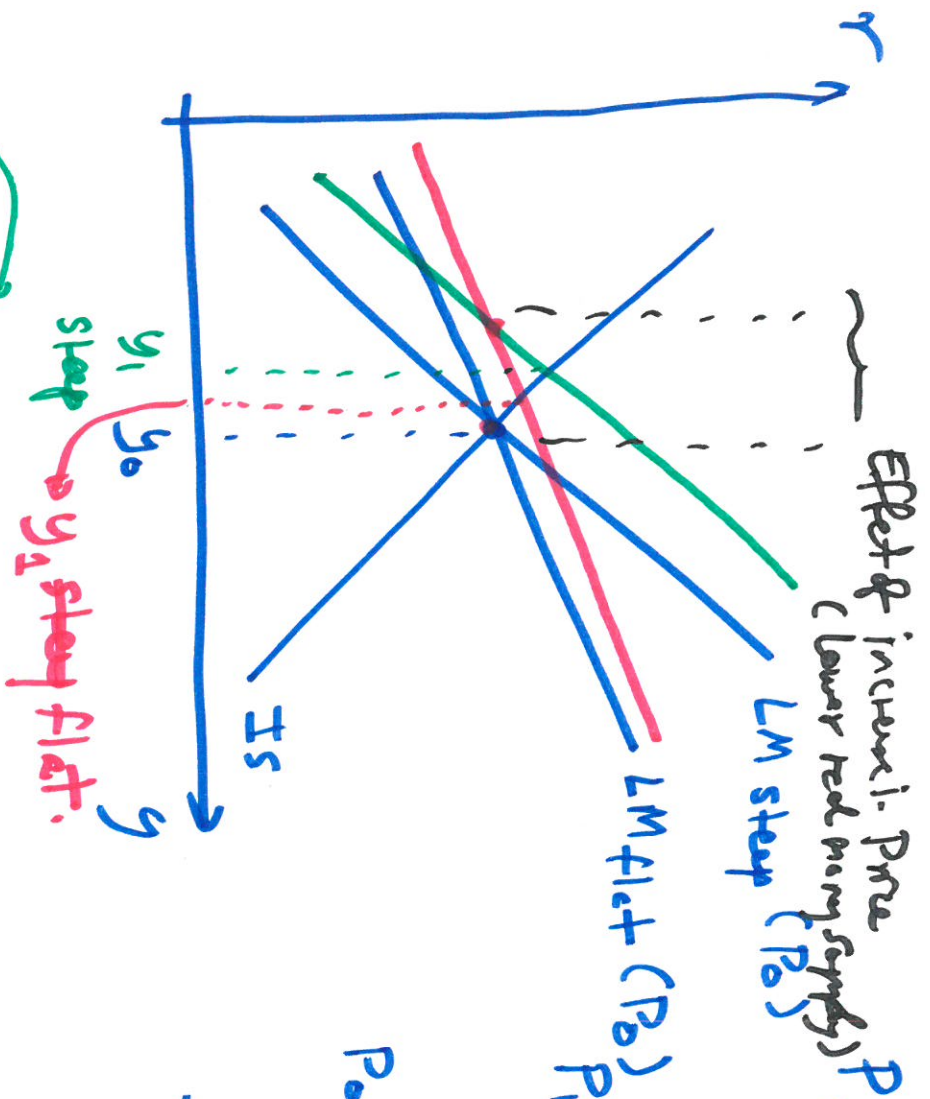


(i) The flatter IS curve \rightarrow The flatter AD curve.



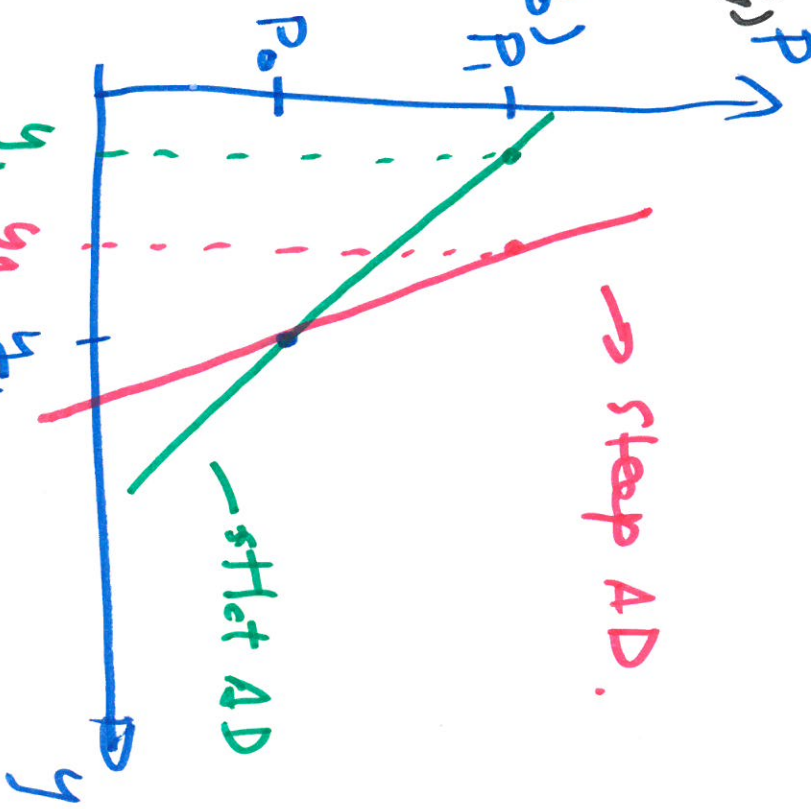
$P_0 \rightarrow P_1 \Rightarrow$ lower the real money supply
 } \rightarrow LM shift left (up)

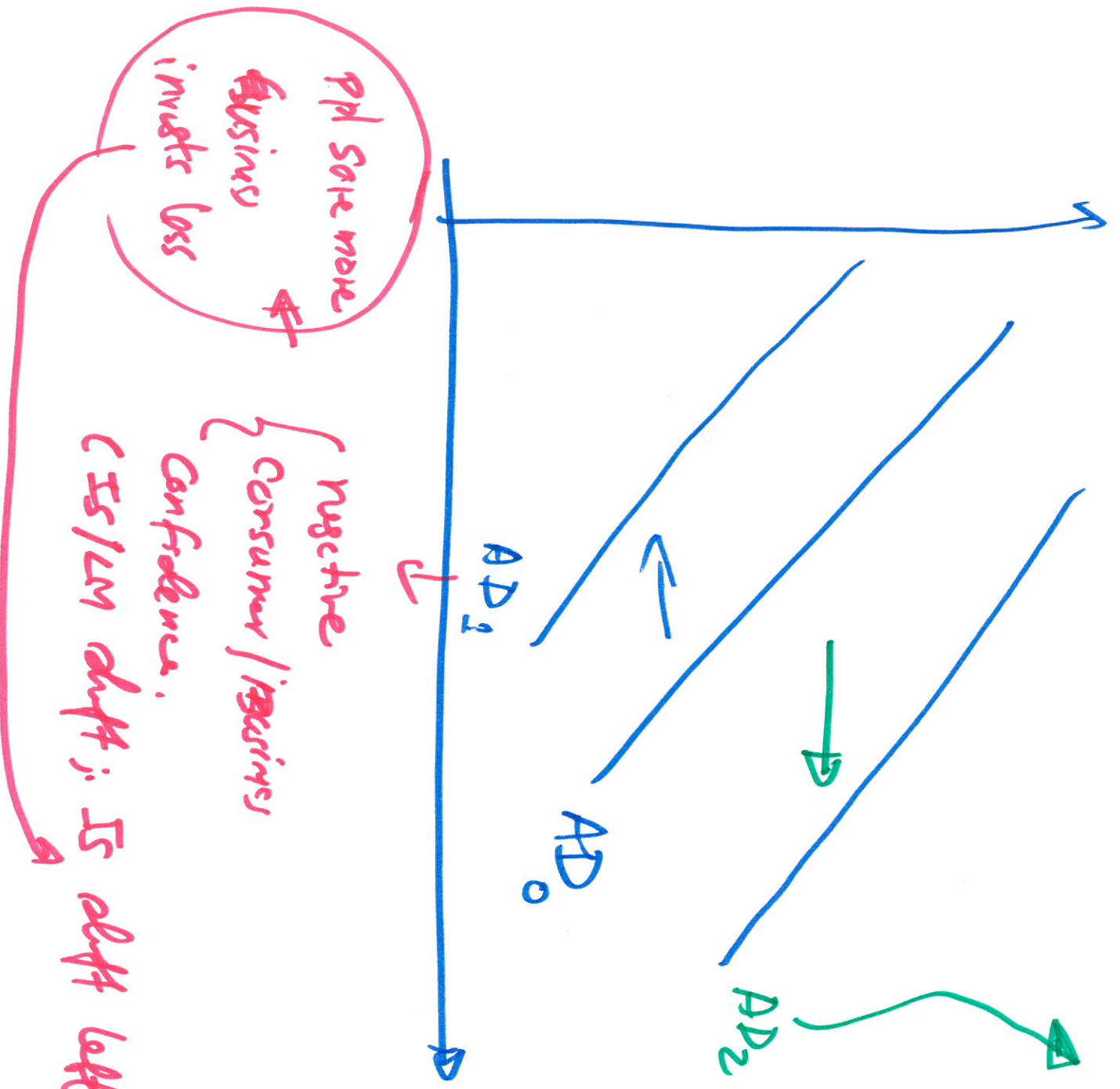
If LM is flatter \Rightarrow interest rate \uparrow by small margin

\Rightarrow AE \downarrow by "small margin"

\Rightarrow IS-LM eqn \rightarrow output \downarrow by small margin

The steeper LM curve \rightarrow The flatter AD.





Ppl save more
 business invests less
 negative consumer/business confidence.
 (IS/LM shift; IS shift left)

E-money / Digital currency

↳ accepting more.
 ↳ no need for Cash
 ↳ money demand drops
 ↳ likely $r \downarrow$
 ↳ LM shift to right/down
 ↳ $\pi \uparrow$; $IT \uparrow$
 AE \uparrow

AD curve shift to right
 (higher demand)