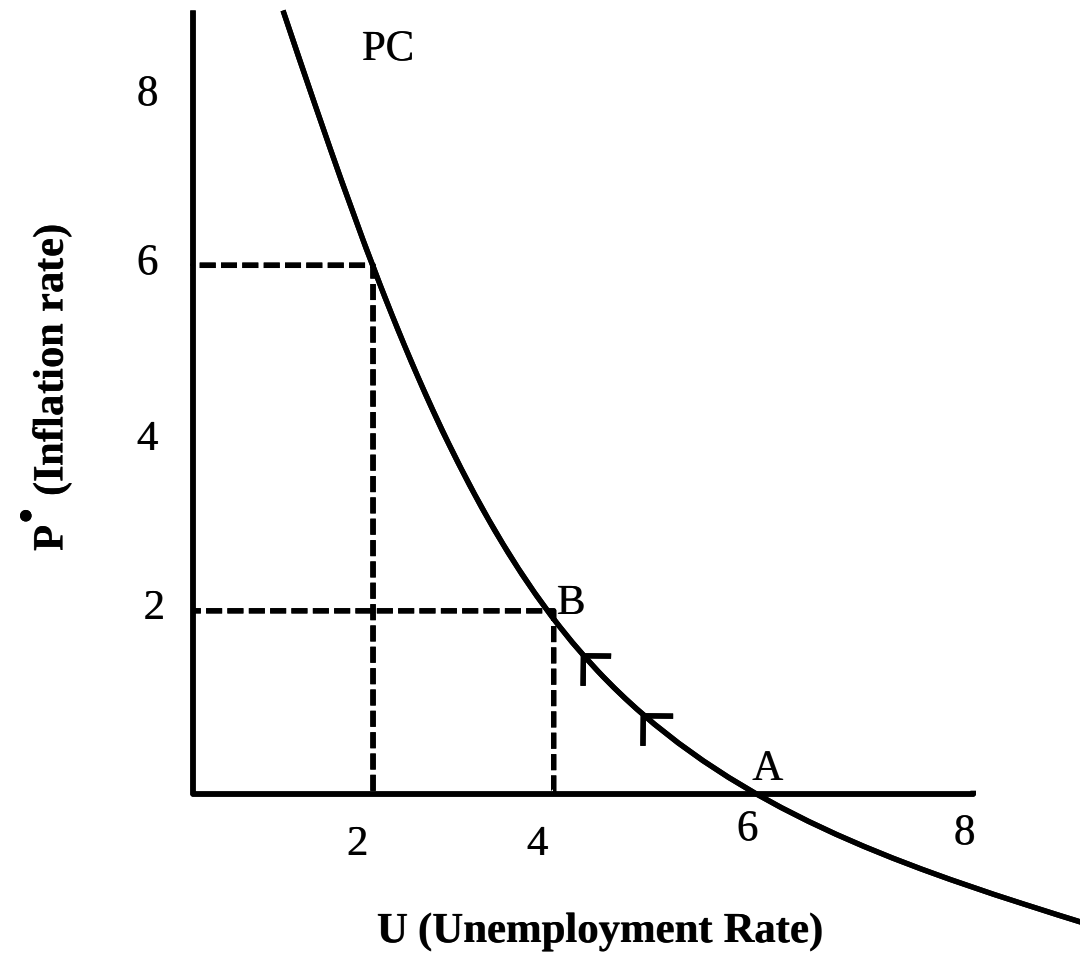


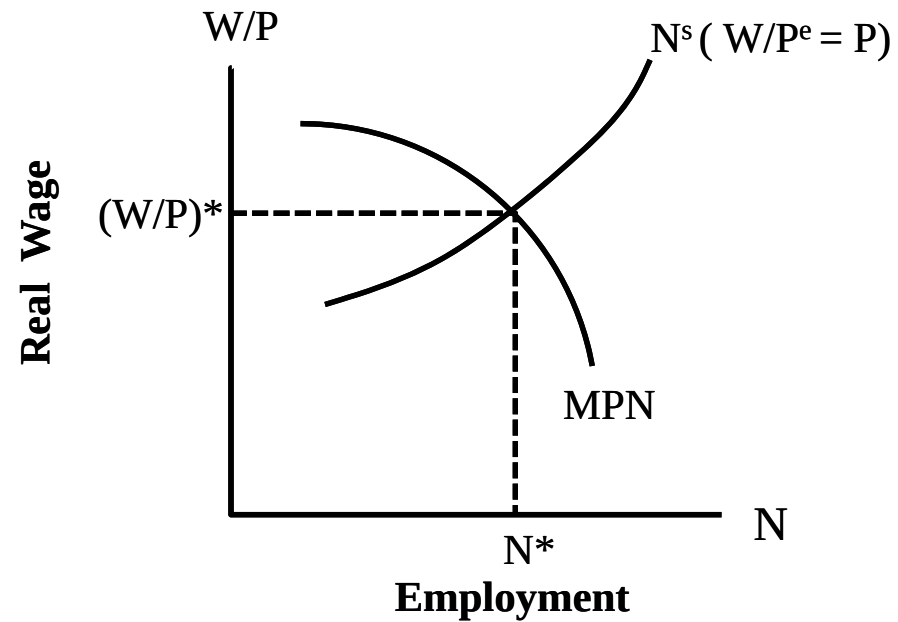
EE312: Macroeconomics Theory

The Phillips Curve and the Natural Rate of Unemployment (NRU)

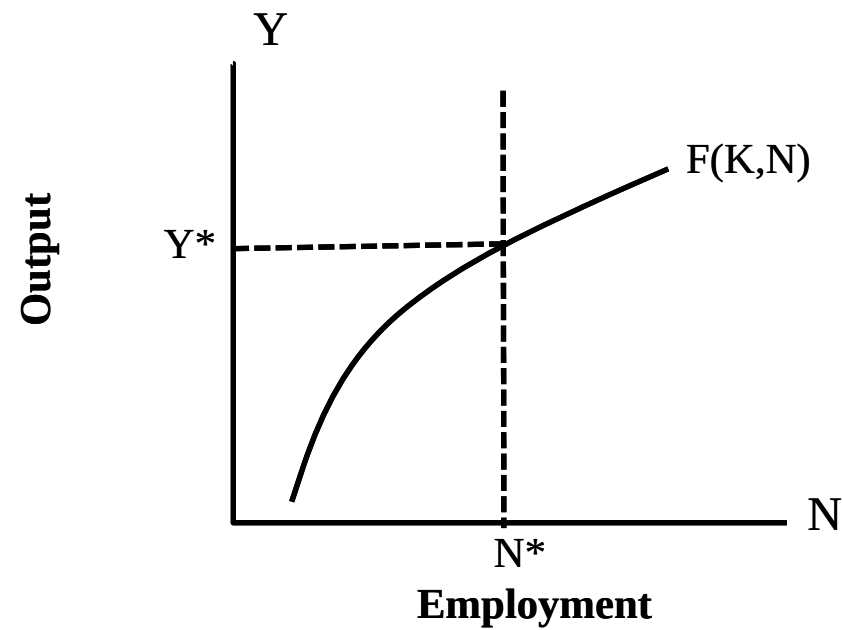
The Phillips Curve



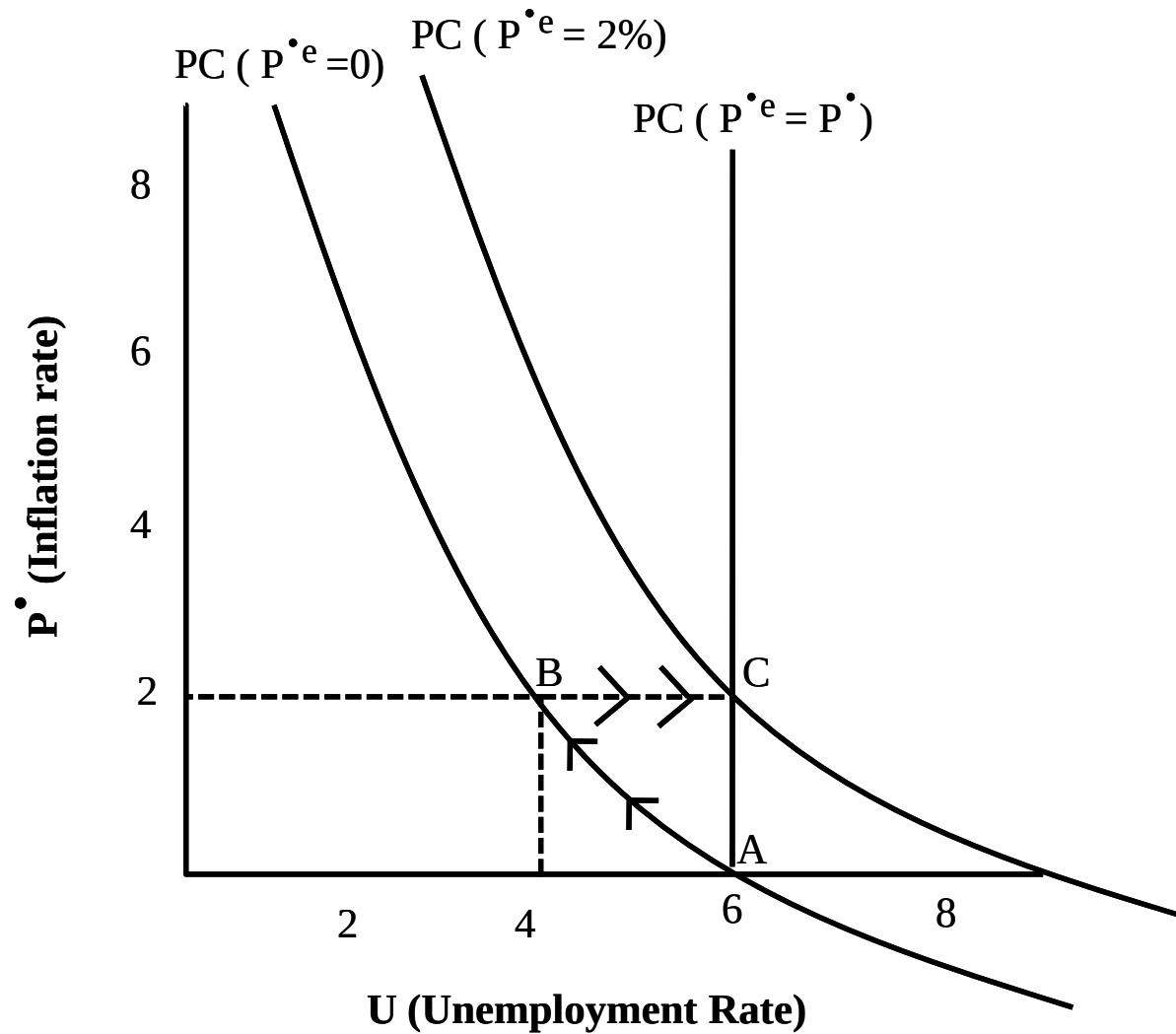
a. Natural Rate of Employment



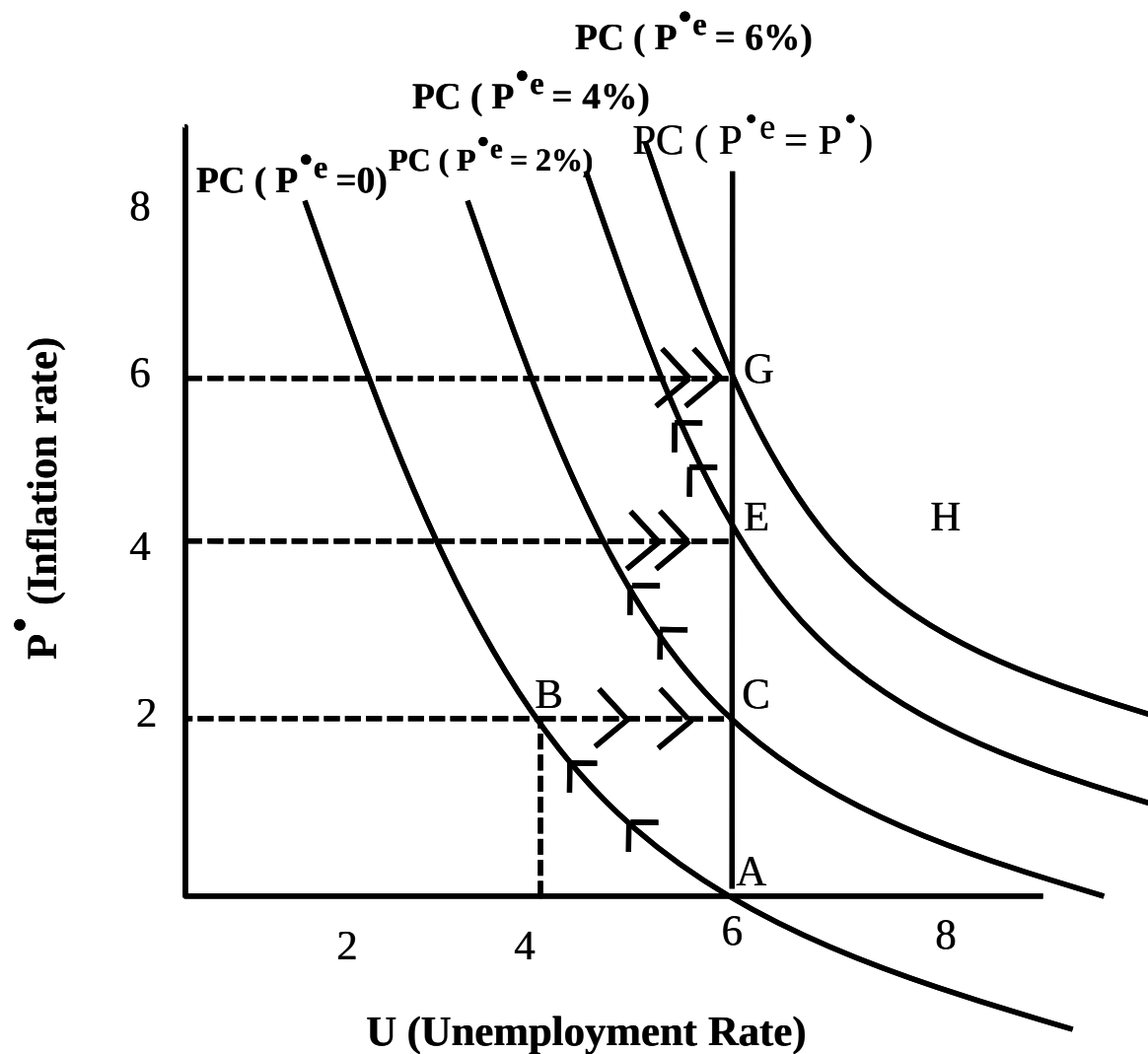
b. Natural rate of Output



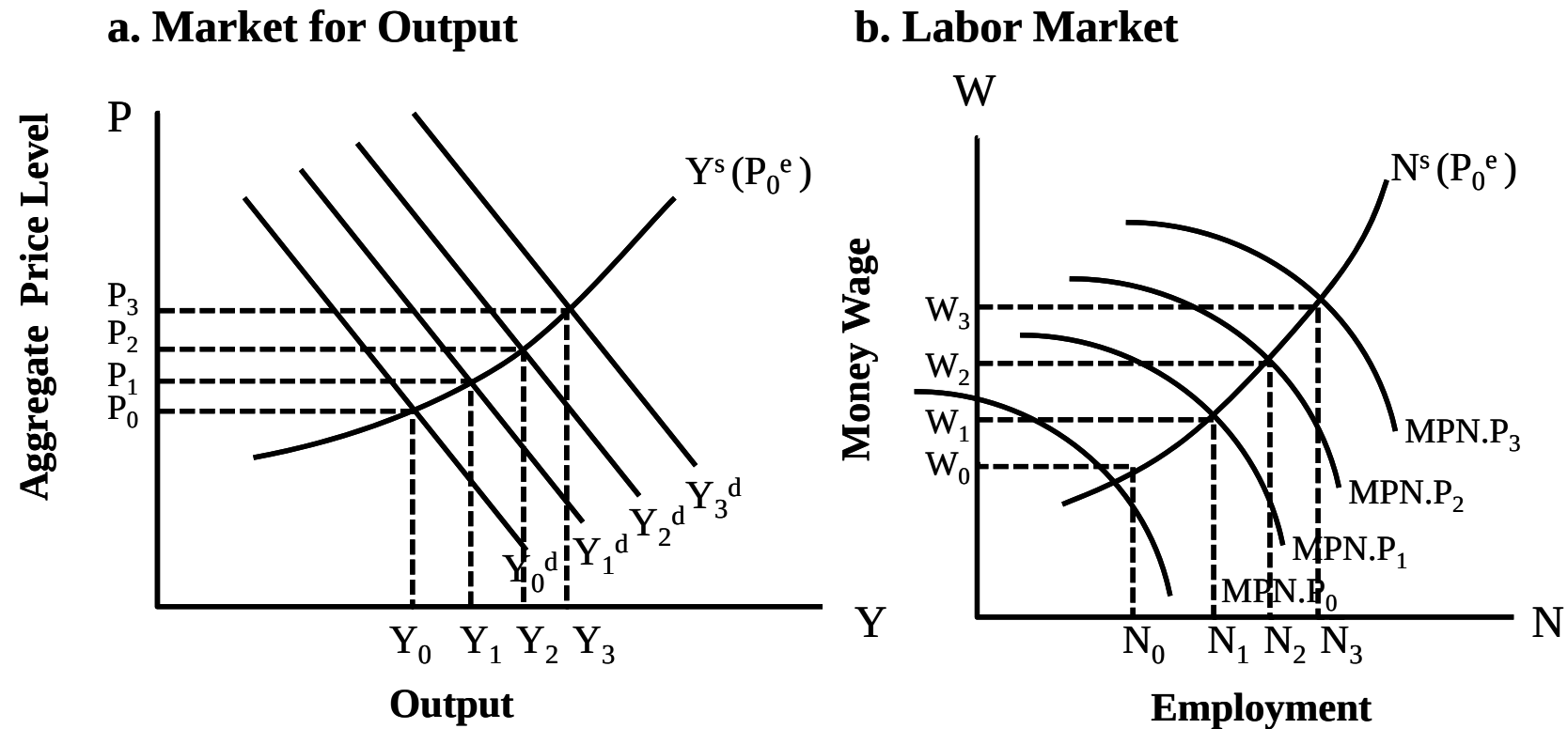
Short-Run and Long-Run Phillips Curves



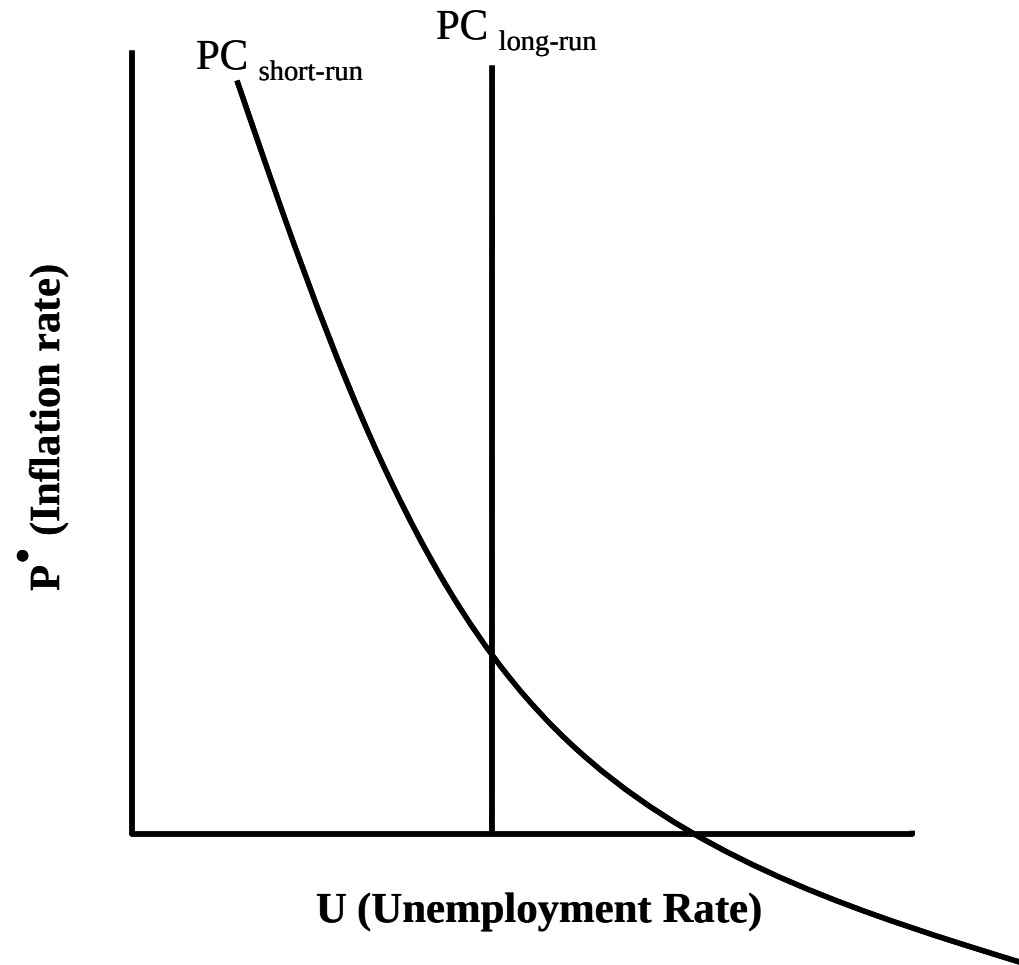
Effect of an Attempt to “Peg” the Unemployment Rate



Short-Run Effects of Increase in Aggregate Demand in the Keynesian Model



The Phillips Curve: The Keynesian Perspective



Long-Run Effects of Increase in Aggregate Demand in the Keynesian Model

