Unanticipated Increases in Aggregate Demand

**Short Run**

1. Quant. of aggregate supply _increases_ (SRAS)
2. Real wages lower
3. Output _greater than_ full-employment output \( Y > Y^* \)
4. Unemployment rate _below_ natural rate \( u < u^* \)

**Long Run**

1. Quant. of aggregate supply _unchanged_ (LRAS)
2. Real wages _constant_
3. Output _equal to_ full-employment output \( Y = Y^* \)
4. Unemployment rate _equal to_ natural rate \( u = u^* \)