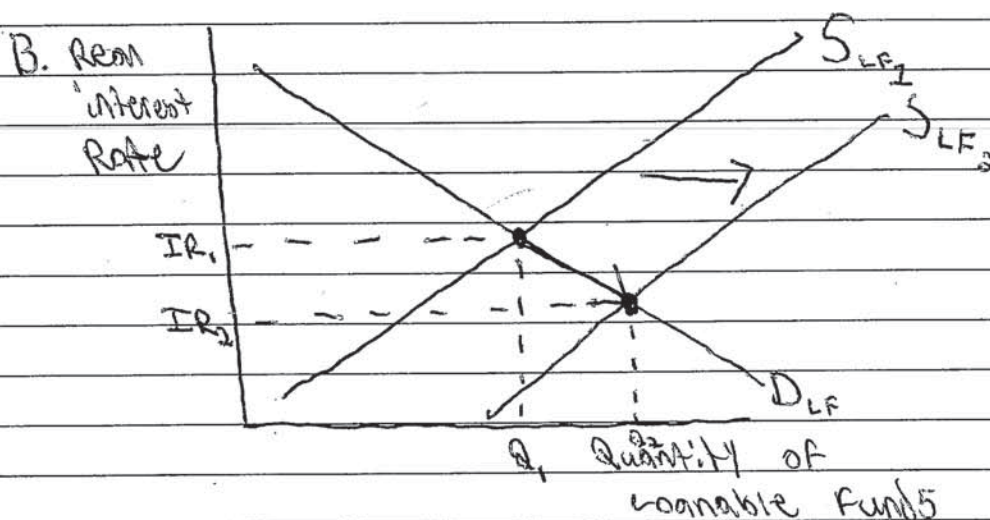
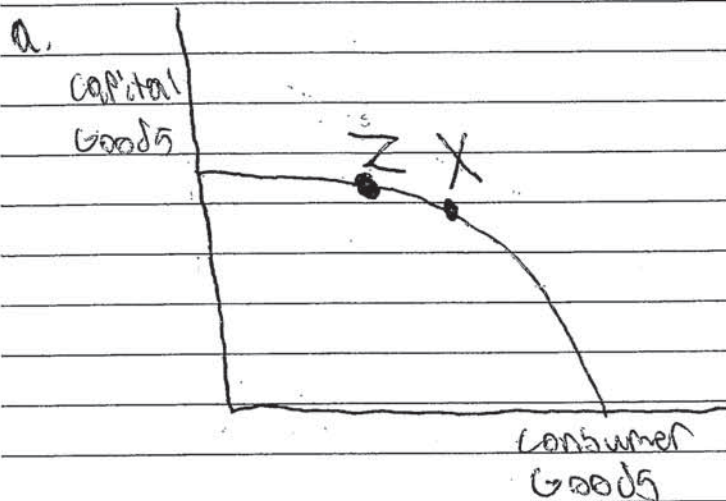


## ANSWER PAGE FOR QUESTION 3



D. As a result of the increased savings, more loans will be supplied at a lower interest rate. This fuels investment which leads to a greater capital formation, which then causes Long Run aggregate supply to shift Right.

GO ON TO THE NEXT PAGE.