



## 17th International Input-Output Conference

**TITLE: AD-AS ANALYSIS WITH THE INPUT-OUTPUT MODEL**

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**ABSTRACT:**

This paper has succeeded to the concepts of the aggregate supply and aggregate demand in Mainstream economics and AD-AS analysis method, and established a new kind of AD-AS model with input-output techniques. This model takes the standard input-output tables as its basic framework. We analyze the change effects of government expenditure, direct consumption coefficient, labor productivity and surplus rate on the equilibrium output. In this paper, we propose that the aggregate demand function curve should be right upward, and this lead to a series of inconsistent conclusions with the traditional views. Finally, we also analyze the well-known problem of stagnation. The conclusions are very instructive. Benefiting from the rich amount of information of Input-output tables, the application of this model can provide more and better results than traditional AD-AS.