In this problem set, you are asked to consider the effects of a change in the nominal money supply for the AD/AS model. Do so for each of the following assumptions:

1. the price level is flexible and the wage level is flexible.
2. the price level is fixed above the market clearing level, the nominal wage level is flexible
3. the price level is flexible but the nominal wage level is fixed
4. the price level is flexible but the nominal wage level is only flexible upward.
5. the price level is flexible but the real wage rate is fixed.

For each of these sets of assumptions, determine the equilibrium effects of a money supply increase on 1) the price level, 2) the real output level, and 3) the real interest rate level. When nominal or real wages are fixed, be clear about your assumptions on where they are set relative to market clearing levels. Compare your answers and interpret.