





Co

So

Y = 12000

Y = 12000

Y = 13000

Y = 13000





C = 11800

S = 2000

C = 12700





S = 3000





Move UP Along C



Move UP Along S

Income (Y)

Wages

Profits

Interest

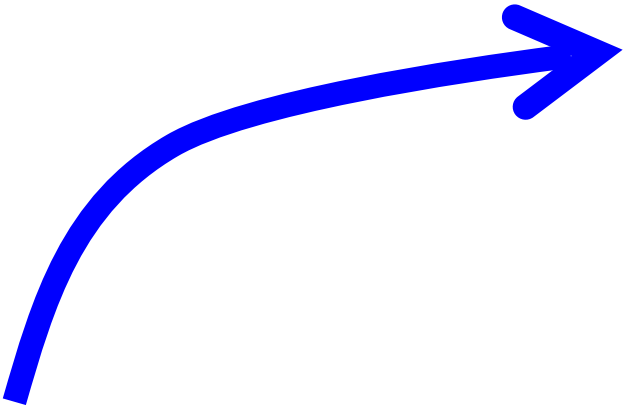
Rents



Consumption Increase

Savings Increase

Change in Income: Move along





Income



Income



$$S = 120000 - 118000$$

S

=

Y

-

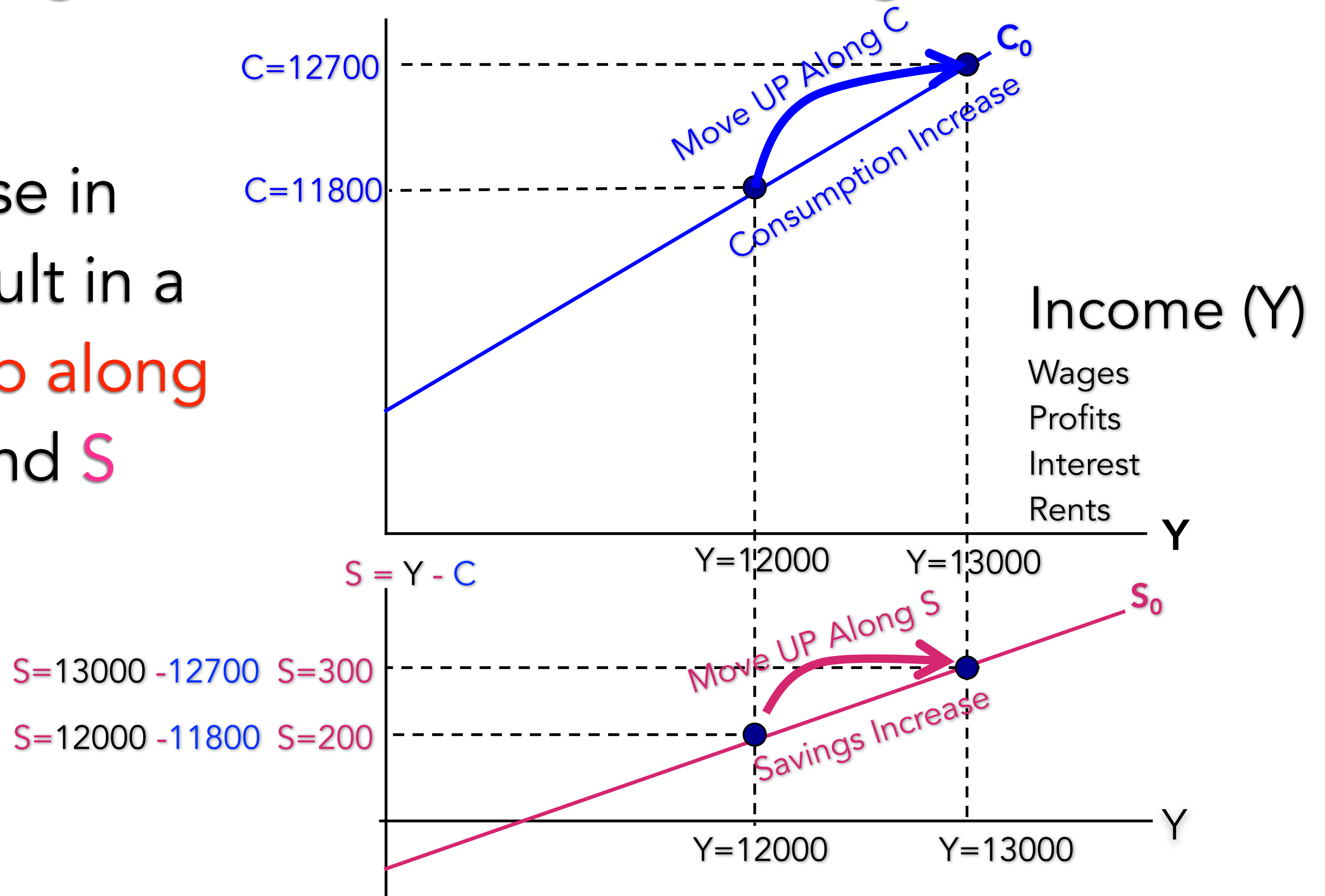
C

$$S = 130000 - 12700$$

An increase in
Incomes result in a
movement up along
both: C and S

Change in Income: Move along

An increase in
Incomes result in a
movement up along
both: C and S



Shifts in the Consumption Line