

Real Income Billions

ì







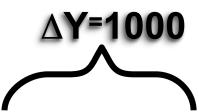


_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

ı

C = a + 0.75Y

Choose any two points



=75



Calculating the slope

MPC = 750/1000









0.75 MPC













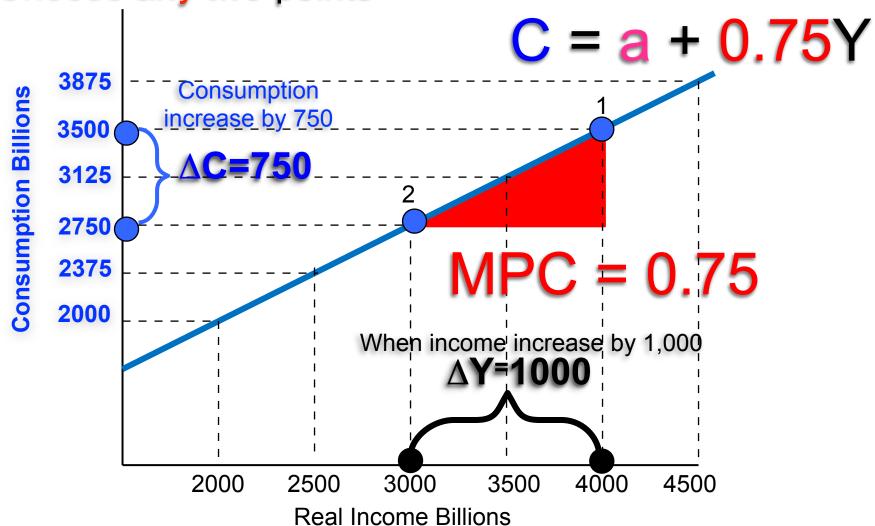
When income increase by 1,000

Consumption increase by 750



Calculating the slope

Choose any two points



Calculating the intercept

