





Once we have the Consumption Function...

W











W





















































$$C = 500 + 0.75Y$$

savings = Y - C

$$\text{Savings} = Y - (500 + 0.75Y)$$

Savings =  $Y - 500 - 0.75Y$

$$\text{Savings} = -500 + Y - 0.75Y$$

$$\text{Savings} = -500 + (1 - 0.75)Y$$

$$S = 500 + 0.25Y$$



Intercept





Slope



$$\text{Savings} = -500 + (0.25)Y$$

We can write the Savings Function...

Once we have the Consumption Function...

$$C = 500 + 0.75Y$$

$$\text{Savings} = Y - C$$

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$$\text{Savings} = -500 + (0.25)Y$$

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Intercept

Slope

We can write the Savings Function...

