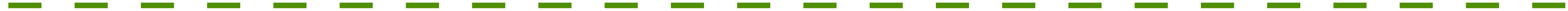4

$$C = 100 + 0.9Y$$

5,000

10,000

19,000

25,000

C = 4,600

$$C = 9,100$$

$$C = 17,200$$

$$C = 22,600$$

$$C = 100 + 0.9 * 25,000$$

$$C = 100 + 0.9 * 19,000$$

$$C = 100 + 0.9 * 10{,}000$$

C = 4600

C = 9,100

C = 17,200

C = 22,600

$$C = 100 + 0.9 * 5{,}000$$

National Income

The distance to the C line is the amount of consumer spending for each value of Income

The distance to the C line is the amount of consumer spending for each value of Income

C = 100+0.9Y

C = 100+0.9*25,000
C= 22,600

C = 100+0.9*19,000
C= 17,200

C = 100+0.9*10,000
C = 9,100

C = 100+0.9*5,000
C = 4,600

C = 4600
C = 9,100
C = 17,200
C = 22,600

Y

5,000   10,000   19,000   25,000

National Income

4