

Real Income Billions

- 1

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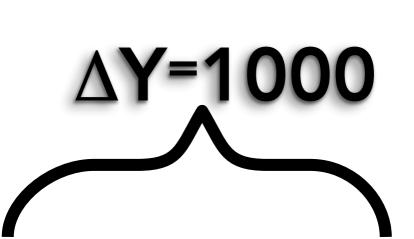






C = a + 0.75Y

Choose any two points



 $\Delta C = 750$

$MPC = \Delta C/\Delta Y$

Calculating the slope

MPC = 750/1000









MPC = 0.75







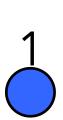


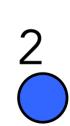




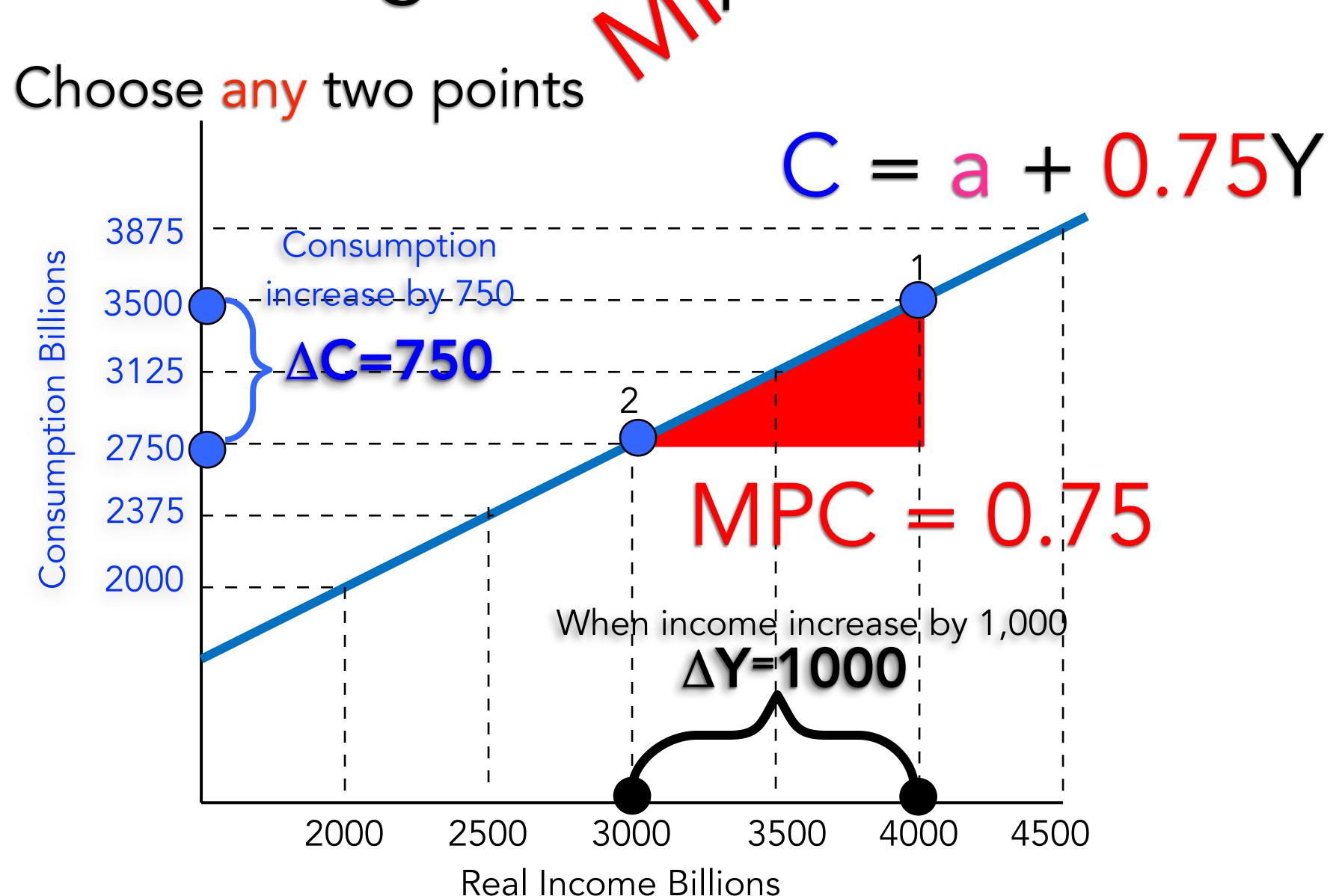
When income increase by 1,000

Consumption increase by 750





Calculating the slope



Calculating the intercept

