

Co



So

**$Y = 12,000$**

$$Y = 12,000$$

$$Y = 13,000$$

$$Y = 13,000$$



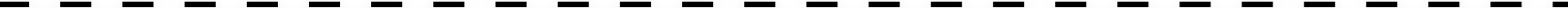


C = 11,800



C = 12,700









Move UP Along C

Move UP Along S

Income (Y)

Wages

Profits

Interest

Rents



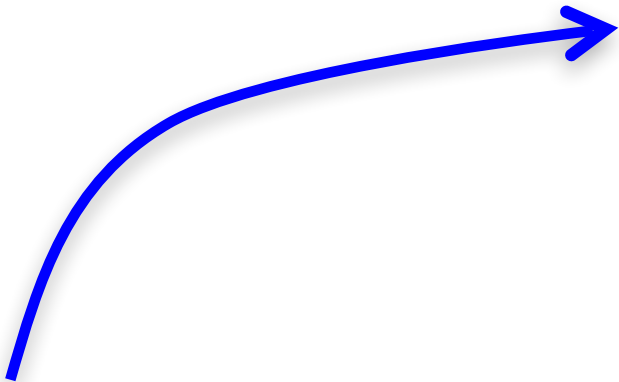




Consumption Increase

Savings Increase

Change in Income: Move along





Income





Income



$$S = 12,000 - 11,800 = 200$$

$$S = Y - C$$

$$S = 13,000 - 12,700 = 300$$

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

When Income Increase



When Incomes increase,  
consumers spend more

and save more

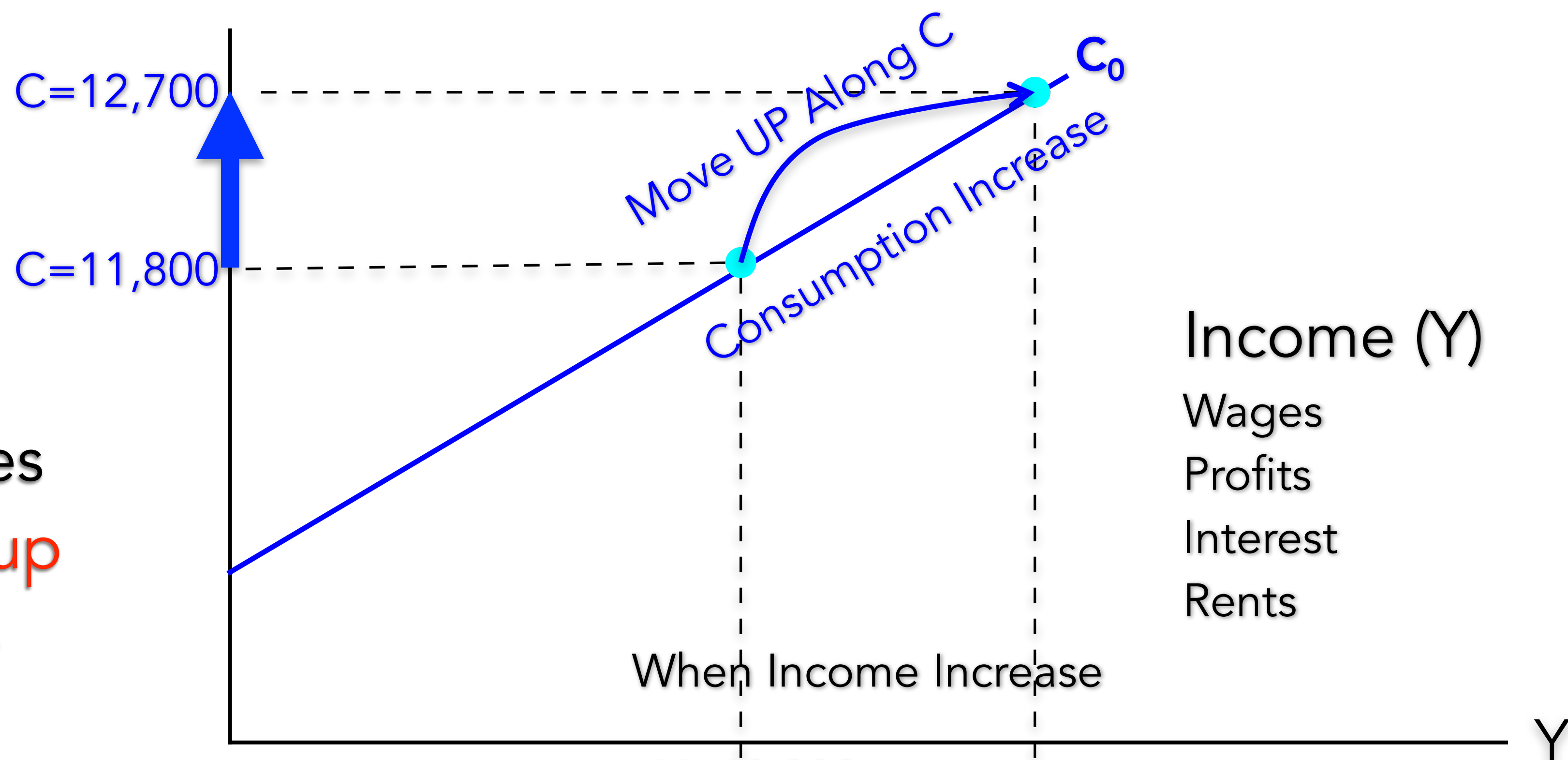




## Change in Income: Move along

When Incomes increase,  
consumers **spend** more

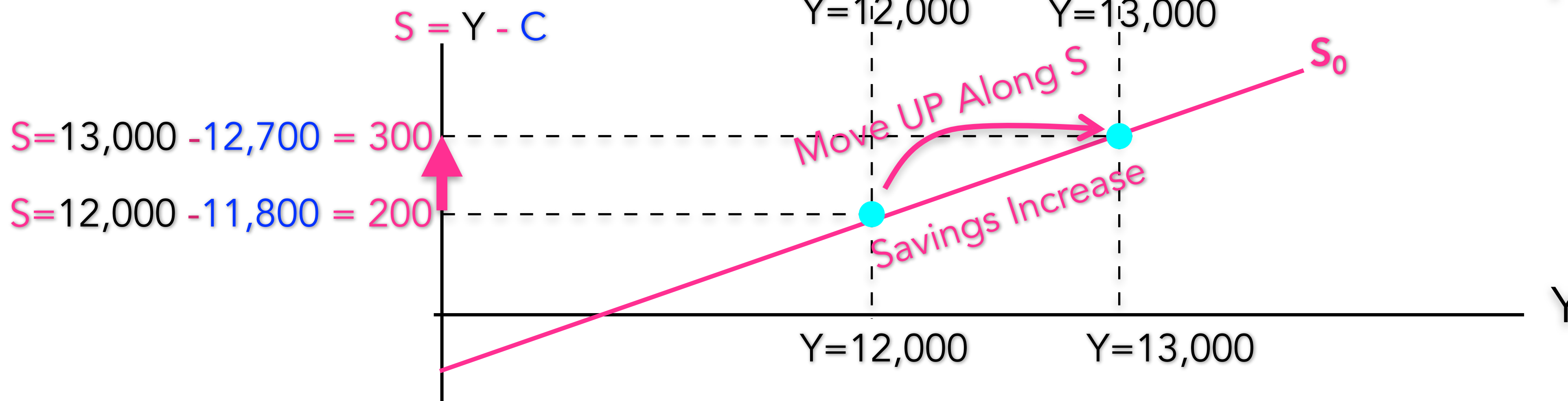
An increase in Incomes  
result in a **movement up**  
**along both: C and S**



Income (Y)

Wages  
Profits  
Interest  
Rents

and **save** more



$$S = 13,000 - 12,700 = 300$$

$$S = 12,000 - 11,800 = 200$$

