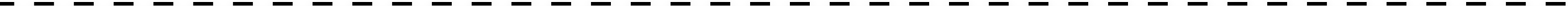


Real Income
Billions

Consumption

5,000



$$2,750 + 750 = 3,500 - - - - -$$

$$1,250 + 750 = 2,000 - - - - -$$

1,250 - - - - -

$$3,500 + 750 = 4,250$$

[illegible]

1
1
1
1
1
1
1
1
1
1

1,000

2,000



3,000

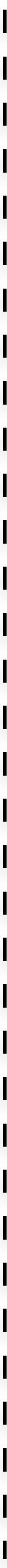
4,0000



5,000



6,000
















$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$

MPC = **ΔC / ΔY**

MPC = 0.75

Using the slope

MPC


$C = \text{intercept} + \text{MPC}Y$

$\Delta C = \Delta Y^* MPC$

$$\Delta C = \Delta Y * 0.75$$


$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$

$$\Delta Y = 1,000$$





$$\Delta C = 1,000 * 0.75 = 750$$

$$\Delta Y = 1,000$$




$$\Delta C = 1,000 * 0.75 = 750$$


$$\Delta C = 1,000 * 0.75 = 750$$

MPC



Consumption Billions

