

These observations can be described with a line

C

[REDACTED]

[REDACTED]











e



c

e

P







**M**





Y

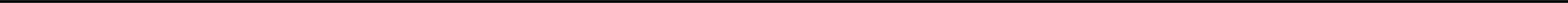
To determine the line which contains these observations, we need to calculate **two** values:

The slope?

MPC







Real Income  
Billions

St. Louis  
Missouri  
St. Louis  
Missouri

5,000 - - - - -

3,500

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2,000

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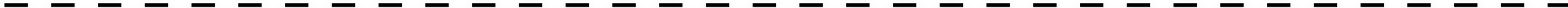
—

—

1,250 - - - - -



4,250



2,750

- - - - -

1  
1  
1  
1  
1  
1  
1  
1  
1  
1

1,000

2,000



3,000

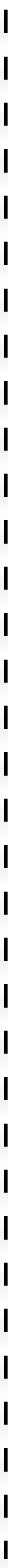
4,0000



5,000



6,000

















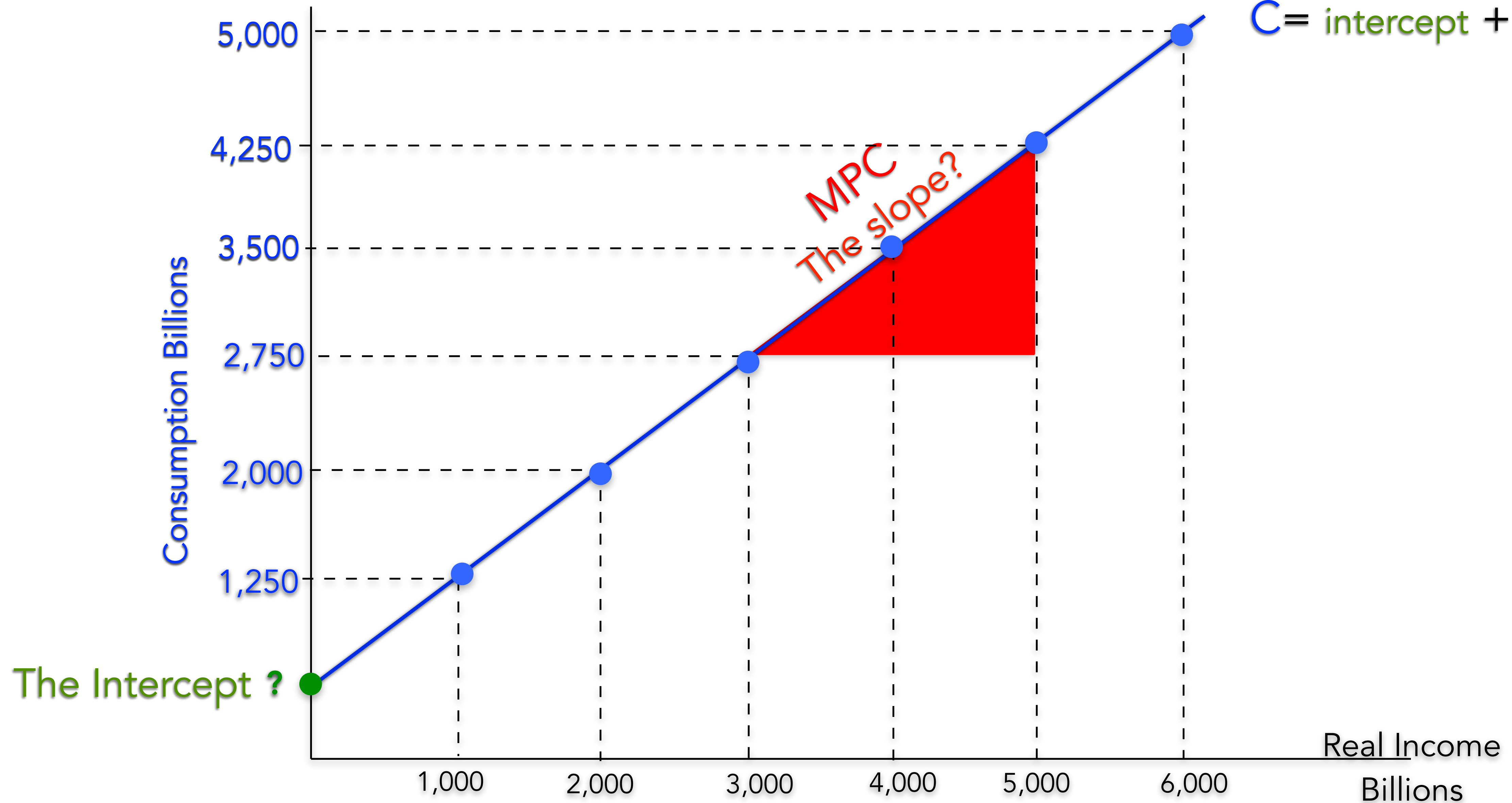
# The Intercept





To determine the line which contains these observations, we need to calculate **two** values:

$$C = \text{intercept} + MPCY$$



# Calculating the slope

