



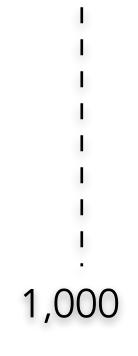


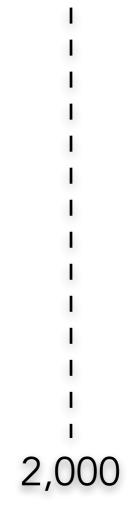
Real Income Billions

Consumption

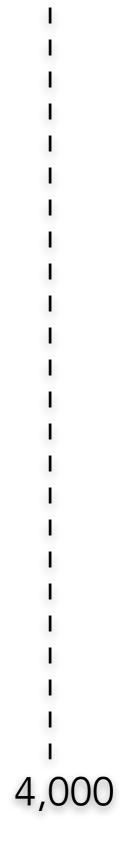
5,000 ------

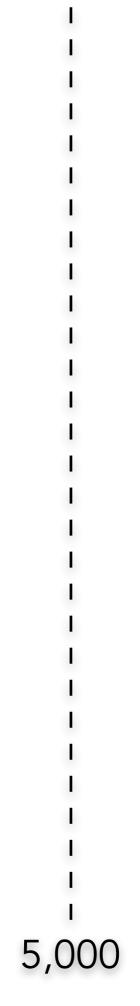
1,250----

























$\Delta Y = 1,000$

$MPC = \Delta C/\Delta Y$

MPC = 0.75

Using the slope



C= intercept + MPCY

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

 $\Delta C = \Delta Y * 0.75$

$\Delta Y = 1,000$

$\Delta Y = 1,000$

$\Delta Y = 1,000$



