

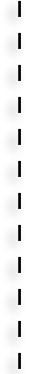
Real Income Billions

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 $C = a + MPC_xY$

Choose any two points

$\Delta Y = 1000$



$MPC = \Delta C/\Delta Y$

Calculating the slope

MPC = 750/1000









MPC = 0.75











When income increase by 1,000

Consumption increase by 750



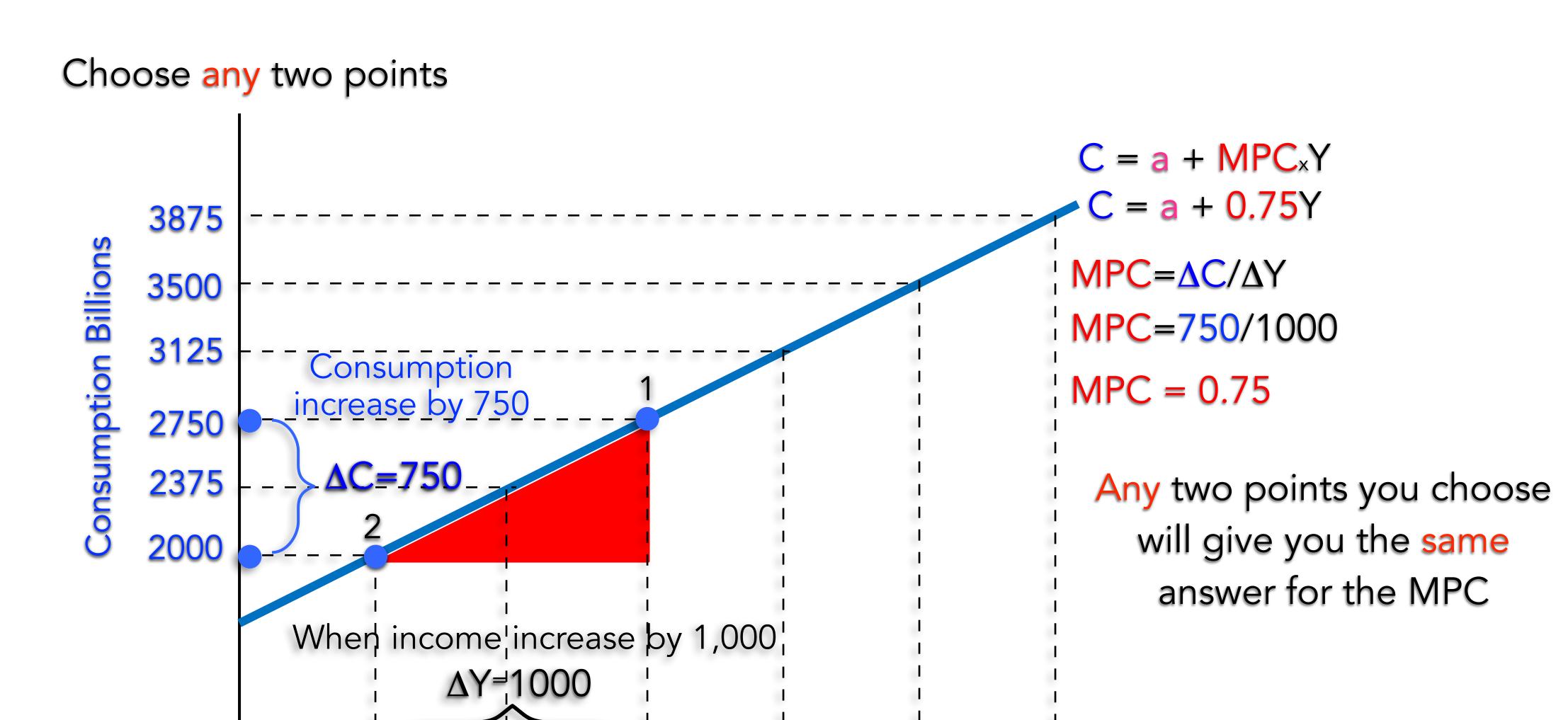


C = a + 0.75Y

Any two points you choose will give you the same

answer for the MPC





Real Income Billions

Calculating the intercept

